

U. S. Environmental Protection Agency

PROPOSED TIER 2 MOTOR VEHICLE EMISSIONS
STANDARDS AND GASOLINE

SULFUR CONTROL REQUIREMENTS NOTICE
OF PROPOSED RULEMAKING

PUBLIC HEARING

ATLANTA, GEORGIA

FRIDAY, JUNE 11

10:00 a.m.

1 EPA BOARD MEMBERS :

2 MARGO OGE

3 CHET FRANCE

4 DAWN MARTIN

5 TAD WYSOR

6 SUE WILLIS

7 SUSMITA DUBEY

8 WINSTON SMITH

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1 P R O C E E D I N G S

2 MR. SMITH: I'm Winston Smith. I'm with
3 the EPA Regional Office here in Atlanta. And on
4 behalf of the EPA and our regional office, we
5 want to welcome you to this hearing on the Tier
6 2 regulations. I can tell you that it's very,
7 very appropriate that a hearing on the
8 regulations be held in Atlanta, as one of the
9 series of hearings being held around the
10 country. I think the Tier 2 regulation means an
11 awful lot to us here and an awful lot to a
12 number of areas throughout the southeast.

13 As you're probably here today, there are a
14 lot of other team of problems still out there,
15 there are a lot of air quality problems that
16 need to be dealt with.

17 We have ozone action days here and
18 throughout the southeast and a lot of the cities
19 and it is of great concern to us. It's also a
20 great concern to us here and a number of areas,
21 Atlanta and the rest of the southeast, how these
22 regulations will effect our long-term ability to
23 maintain the standards and ability to conform in
24 relation to conformity regulations. It's all
25 very, very important to us. And it's also tied

1 to the growth rate we have throughout many of
2 the cities in the southeast. Growth rates is
3 far higher than the national rate and that, of
4 course, is important.

5 There regulations are relative really to
6 the long-range planning and the things that
7 we're doing throughout. It's also, of course,
8 obviously relative to public health.

9 Again, we welcome you all to the hearing.
10 And we hope to learn a lot today and we're
11 anxious to get on with it.

12 MS. OGE: Good morning.

13 Thank you, Winston.

14 On behalf of the Environmental Protection
15 Agency, I want to thank you for coming here and
16 I want to welcome you to today's hearing.

17 We are looking forward to hearing your
18 views on the problem that we believe is critical
19 to the future of air quality in this country.

20 My name is Margo Oge, and I'm the director
21 of the Office of Mobile Sources, with the
22 Environmental Protection Agency. And I will be
23 serving as the presiding officer for today's
24 hearing.

25 The proposed regulation that we're

1 considering today was announced by President
2 Clinton on May 1st, 1999, and it was published
3 in the Federal Register on May 13th, 1999.

4 We believe that this is an historic
5 proposal. This problem will exceed a dramatic
6 reduction in air pollution for the 21st century
7 and it will do it in a cost effective and
8 flexible way. We estimate emission reductions
9 of almost 2.2 million tons per year by 2020.
10 This is equivalent of removing a hundred and
11 sixty-six million tons from the road.

12 We followed several principles in
13 developing this proposal, and I would like to
14 briefly go over those principles. We wanted to
15 meet the air quality needs for the states and
16 the nation as a whole. We wanted to treat autos
17 and fuel as one system. We wanted to bring
18 sport utility vehicles, minivans and pickup
19 trucks to the same emissions standards as other
20 passenger vehicles. We wanted to have a
21 fuel-mutual standard; that is, the same standard
22 regardless of what fuel is used. We wanted to
23 make sure that we're not going to constrain
24 consumer choice for vehicles or driving styles,
25 either due to cost or technology factors. And

1 finally, we wanted to provide flexibility for
2 industries in how they achieve the standards.

3 The same time that we published the Tier 2
4 proposal, EPA released an Advanced Notice of
5 Proposed Rulemaking concerning diesel fuel
6 quality. We're not seeking comments today
7 during this hearing on this specific proposal.
8 We have established a separate docket, and I'll
9 give you the number, A-99-06 for comments on
10 this Advanced Notice.

11 Many of you are probably aware of the two
12 recent Court of Appeal decisions regarding the
13 EPA air problems. The first decision found that
14 the Clean Air Act is consenting real public
15 health in air quality standards for sulfur and
16 particulate, is unconstitutional is an improper
17 allegation of legislative referring to EPA.

18 Despite the constitutional ruling, however,
19 the court does not question the science of which
20 EPA relies to develop these health standards.
21 The court did not criticize EPA's
22 decision-making process. EPA disagrees with the
23 court decision. We have recommended to the
24 Department of Justice that they take all the
25 necessary judicial steps to overturn the

1 decision.

2 The second decision states a supplement of
3 state plans under the NOx emissions, which has
4 been scheduled for this fall. We closely
5 reviewed these decisions and have concluded that
6 they do not impact the Tier 2 rulemaking.

7 The Tier 2 proposal remains on solid
8 grounds in terms of air quality needs,
9 technological feasibility, cost and cost
10 effectiveness. Without significant new controls
11 in model vehicle emissions, millions of people
12 will continue to breathe unhealthy air.

13 We believe the Tier 2 standards as proposed
14 are needed to obtain and maintain the air
15 quality standards. Over seventy million people
16 in this country are breathing unhealthy air
17 today and this trend will continue unless we
18 take action now.

19 We also believe that this proposal is
20 technologically feasible and it is cost
21 effective. The projected cost of making the
22 proposed standards is about a hundred dollars
23 for cars, two hundred dollars for sport
24 utilities and between one and two cents per
25 gallon of gasoline.

1 Even though our cars and trucks run cleaner
2 than ever before, they still contribute a large
3 problem to our air pollution, we're holding this
4 hearing in Atlanta today. Cars and light-duty
5 trucks contribute almost forty percent of all
6 NOx emissions in Atlanta and this trend will
7 continue. Americans love to drive and we're
8 driving more than ever. Actually, I understand
9 from Winston Smith this morning that the
10 vehicles in Atlanta drive more miles every year
11 than any other part of the country. If we do
12 not act today, the emissions from our cars and
13 light-duty trucks, combined with the current
14 levels of sulfur in our gasoline, threaten the
15 many air quality gains that we have made in
16 recent years.

17 For the first time, with this proposal, we
18 are addressing vehicles and fuels as one system.
19 We are looking at not only the cars we drive,
20 but also the fuel being used, because sulfur
21 poisons pollution control devices in vehicles.
22 We are proposing to cut the sulfur content of
23 gasoline by ninety percent.

24 The proposal contains two primary elements:
25 First, EPA's proposal on projective emissions

standards for all light-duty vehicles and light-duty trucks. The proposed vehicle standards would require all vehicles and trucks weighing up to eighty-five hundred pounds to meet a corporate average NOx standard of 0.07 grams per mile. This new standard will result in cars about seventy-seven percent cleaner and SUVs, minivans and pickup trucks as much as ninety-five percent cleaner than today's vehicles.

The standards will be phased-in from 2004 through 2007 for light-duty vehicles and light-duty trucks up to six thousand pounds. Heavy light-duty trucks or those between six thousand pounds and eighty-five hundred pounds would be required to meet the Tier 2 standards in 2008 and 2009. For this class of vehicles, however, EPA's proposed new interim standards beginning in 2004.

The second main element of the Tier 2 proposal is a nationwide control of sulfur in gasoline. The Tier 2 standards cannot be met without cleaner fuel. With cleaner fuel, not only the Tier 2 cars will benefit, but also the cars that we drive today will benefit. Refiners

1 and importers of gasoline would be required to
2 meet a new sulfur limit of thirty parts per
3 million on average beginning 2004. With the
4 banking and trading program, that could
5 introduce cleaner fuel in the marketplace as
6 early as 2000 and extend the plans into 2006.

7 The Tier 2 proposal, in a number of
8 provisions, is designed to provide flexibility
9 to vehicle manufacturers and refineries
10 including proposals to provide more flexibility
11 to small business.

12 Before getting started with today's
13 testimony, I'll take a few minutes to introduce
14 the panel and describe I we will conduct this
15 hearing.

16 With me today, you've already met Mr.
17 Winston Smith, he's the director of our air
18 office here in Atlanta. Dawn Martin, on my
19 right, is the chief of staff of the EPA's office
20 of air and aviation. Susmita Dubey, is our
21 lawyer. She is with our office of general
22 counsel. On my left is Chet France, and he's
23 the director of the division that deals with
24 engines and compliance problems in the office of
25 mobile sources.

1 We have received an overwhelming number of
2 requests to testify and we'll do our best to
3 accommodate everyone. We ask the witness to
4 limit your testimony to no more than ten
5 minutes.

6 Tad Wysor -- Tad, stand up -- is a very
7 important person. Please look at him. He's
8 going to try to keep you honest with time.

9 We are conducting this hearing in
10 accordance with Section 307(d)(5) of the Clean
11 Air Act, which requires EPA to provide
12 interested persons with an opportunity for oral
13 presentation of data to be used or argument in
14 addition to an opportunity to make written
15 submissions. The comment period and record for
16 this hearing will remain open until August 2nd,
17 1999, for additional written comments.

18 This hearing will be conducted informally
19 and formal Rules of Evidence will not apply.
20 The presiding officer, however, is authorized to
21 strike from the records statements which are
22 deemed irrelevant or needlessly repetitious and
23 to enforce reasonable limits of duration of the
24 statement of any witness with the help of Tad
25 Wysor.

1 We'll request that you please state your
2 names and affiliations before making your
3 statement. When a witness has finished his or
4 her presentation, members of the panel, the EPA
5 panel, may ask that person questions concerning
6 issues raised in the testimony. Witnesses are
7 reminded that any false statement or false
8 response to questions may be a violation of law.

9 If there are any members of the audience
10 who wish to testify, who have not already
11 contacted us, please submit your name at the
12 reception table. I also ask that all attendees
13 of this hearing sign the register whether or not
14 you testify.

15 We plan to take a break for lunch and a
16 break later on this afternoon. But we request
17 that you refrain from bringing food into the
18 meeting room due to the terms of the contract
19 with this facility.

20 And finally, if you would like a transcript
21 of the proceeding, you should make arrangements
22 directly with the court reporter during one of
23 the breaks and the transcripts will be available
24 in the docket within two weeks.

25 Also, I would like to ask that the speakers

1 provide a copy of your testimony to the front
2 registration desk so that we can place those
3 written documents to the docket.

4 Before we begin the testimony, are there
5 any questions, any clarification questions?

6 (No response).

7 MS. OGE: Without any questions, let's
8 proceed introducing the first panel. As I call
9 your names, please come to the front table.

10 Ms. Becky Stanfield, Mr. Ron Methier, Mr.
11 Bob Morgan, Ms. Josephine Cooper and Dr. Nancy
12 Turbidy.

13 (Whereupon, the panel came before the
14 EPA board.)

15 MS. OGE: Dr. Nancy Turbidy.

16 (No response).

17 MS. OGE: Before I ask the speakers to read
18 their statements, I would like to ask Winston
19 Smith to read a written statement from Mr.
20 Howard Rhodes, who is with the Florida
21 Department of EPA, and then we can proceed with
22 you.

23 MR. SMITH: This is the testimony of Howard
24 L. Rhodes, the Director of the Division of Air
25 Resource Management, Florida Department of

1 Environment. His statement reads as follows:

2 "The State of Florida currently is the
3 unique and enviable position of meeting the
4 national ambient air quality standards for all
5 criteria of pollutions.

6 "A great deal of the credit for achieving
7 and maintaining the one-hour standard of ozone
8 goes to EPA for the progress and success they
9 have had in implementing nationwide motor
10 vehicle emission controls over the past twenty
11 or so years.

12 "Not withstanding that success, because of
13 our high growth rate, we've depend heavily on
14 continued progress since the proposed Tier 2 and
15 low sulfur fuel standards can help maintain
16 healthy air for the foreseeable future.

17 "Without the continued progress, based on
18 advancing technologies, Florida's major urban
19 centers are faced with certain future air
20 quality problems. In the past, these major
21 population centers were in violation of the old
22 one-hour ozone standard, but by the mid-'90s
23 were meeting the standards. Clearly the
24 national Tier 1 auto and light-truck standards
25 contributed largely to that achievement. But

1 because of the regional nature of ozone,
2 Florida's more rural areas, such as the western
3 panhandle are now feeling the pressure. That is
4 why is it so important to address the issue on a
5 national basis.

6 "In conclusion, we commend the U.S. EPA for
7 the strong stand they are taking in proposing
8 the new standards and urge them to, quote, 'Do
9 the right thing,' unquote. Adopt the most
10 stringent national vehicle and fuel standards
11 that are technologically and economically
12 feasible to ensure the maximum emission
13 reduction possible. In addition, we fully
14 support the staff to allow for testimony for
15 resolution regarding these issues."

16 MS. OGE: I'm going to ask Mr. Ronald
17 Methier to be first, and I think that's
18 appropriate given the fact that we reviewing
19 your statement.

20 MR. METHIER: Thank you.

21 MS. OGE: Good morning.

22 MR. METHIER: Good morning.

23 My name is Ron Methier. I'm the chief of
24 the Georgia Air Protection Branch and the Vice
25 President of STAPPA, the State and Territorial

1 Air Pollution Program Administrators. I appear
2 here this morning on behalf of STAPPA, which
3 represents my own agency, as well as the other
4 fifty-four state and territorial air pollution
5 control agencies across the country; and on
6 behalf of ALAPCO, the Association of Local Air
7 Pollution Control Officials, which represents
8 the air pollution control agencies in more than
9 one hundred and sixty-five major metropolitan
10 areas nationwide.

11 I'm pleased to have this opportunity to
12 provide the association's testimony on the U.S.
13 Environmental Protection Agency's recently
14 proposed Tier 2 motor vehicle emission standards
15 program to reduce sulfur in gasoline as well as
16 on the agency's Advanced Notice of Proposed
17 Rulemaking on diesel fuel.

18 On behalf of STAPPA and ALAPCO, I would
19 like to commend EPA for its leadership not only
20 in issuing the Tier 2 and gasoline sulfur
21 proposal, but also for developing such a strong
22 and comprehensive package. We further commend
23 EPA for responsibly taking full advantage of the
24 opportunity to efficiently and cost effectively
25 reduce a wide variety of emissions, for pursuing

1 a systems approach that addresses both fuel and
2 tailpipe emissions and for engaging in such a
3 thorough, thoughtful and inclusive process to
4 craft this proposal.

5 We are especially pleased that the proposed
6 Tier 2 and gasoline sulfur programs directly
7 reflect almost every key recommendation made by
8 STAPPA and ALAPCO over the past two years.
9 These programs, which will define our ability to
10 control emissions from cars and light-duty
11 trucks for the next fifteen years or so, are of
12 vital importance to our memberships. For this
13 reason, on October 1997 and on April 1998, our
14 associations adopted, with overwhelming support,
15 resolutions calling for stringent low-sulfur
16 gasoline and Tier 2 programs; copies of these
17 resolutions are attached to my written
18 statements.

19 We place the highest priority on
20 participating in the rule development process
21 and are proud that EPA has concluded that the
22 most appropriate programs so closely mirror
23 those for which we have advocated.

24 As the officials with primary
25 responsibility for achieving and maintaining

1 clean, healthful air across the country, state
2 and local air agencies are keenly aware of the
3 need to aggressively pursue emission reductions
4 from all sectors that contribute to our nation's
5 air quality problems. We believe the potential
6 air quality benefits to result from cutting
7 emissions from light-duty vehicles and
8 light-duty trucks and reducing sulfur in
9 gasoline, as the agency has proposed, are
10 tremendous. These proposed programs will allow
11 us to make significant strides in our efforts to
12 deliver and sustain clean air and resulting in
13 facilitating substantial and much needed
14 emission reductions across the country. These
15 emission reductions will play a pivotal role in
16 addressing an array of air quality problems that
17 continue to pose health and welfare risks
18 nationwide.

19 While much of the debate surrounding the
20 air quality need for Tier 2 and low-sulfur
21 gasoline seems to have gravitated toward ozone,
22 it is imperative that we not overlook the many
23 other aspects of air quality benefits of this
24 proposal to be realized by both non-attainment
25 and attainment areas east and west. While this

1 proposal will indeed decrease emissions of
2 hydrocarbons and nitrogen oxide, which, in turn,
3 will lead to reduced levels of ambient ozone, it
4 will also decrease particulate and carbon
5 monoxide emissions and improve visibility,
6 address acid rain problems and reduce greenhouse
7 gases and toxic air pollution.

8 In addition, the substantial reductions to
9 occur from this proposal will further the
10 objections of pollution prevention.
11 Additionally, the proposed programs will achieve
12 these important air quality improvements in an
13 extremely cost-effective manner. At
14 approximately two thousand dollars per ton of
15 nitrogen oxide and the VOC removed, as estimated
16 by EPA, these programs are at least as cost
17 effective as, if not more cost effective, than
18 most other control measures available to us, and
19 the individuals I have mentioned and the
20 dividends as I have mentioned, are used.

21 Speaking for Georgia and other very high
22 growth areas of the nation, we find that our
23 growth is fast out-pacing the present nonpayment
24 control standards. The Florida example is a
25 good one. These new proposals will help present

1 nonpayment areas, like metro Atlanta, but will
2 also be critical to help many of our other urban
3 areas growing maintain compliance with air
4 quality standards.

5 There are some components of the proposal
6 which we do have concerns and we offer our
7 recommendations to address these. Nonetheless,
8 STAPPA and ALAPCO congratulate EPA for issuing a
9 proposal that we believe provides a sound
10 framework for environmentally and economically
11 responsible Tier 2 and gasoline sulfur programs.

12 For the proposed Tier 2 standards, STAPPA
13 and ALAPCO strongly support what we believe are
14 the cornerstones of the proposed Tier 2
15 programs. Specifically we're pleased that the
16 proposal cost effectively achieves real-world
17 emission reductions from new light-duty vehicles
18 and light-duty trucks; reflects new and emerging
19 vehicles emission control technologies currently
20 available and expected to be available in 2004
21 and beyond; applies to light-duty vehicles and
22 light-duty trucks up to eighty-five hundred
23 pounds, including sport utility vehicles or
24 SUVs, pickup trucks and vans, beginning in 2004;
25 subjects light-duty trucks up to eighty-five

1 hundred pounds to the same emission standards as
2 cars and lighter trucks and includes a corporate
3 average NOx standard for all effected vehicles;
4 establishes fuel-neutral standards; includes a
5 more stringent evaporative emissions standards
6 and extends a useful life to one hundred and
7 twenty thousand miles. This last point is
8 particularly important for Georgia since we and
9 a lot of other southern states keep our vehicles
10 longer and drive them farther than the national
11 average.

12 All these control components are right on
13 target for a truly effective national motor
14 vehicle control program. We are, however,
15 concerned that several provisions included in
16 the proposal or raised for public comment could
17 significantly undercut the program. Among these
18 concerns are the later compliance deadline of
19 2009 versus 2007 for larger SUVs, vans and
20 trucks and the notion of a formal technology
21 review of the Tier 2 standards prior to the time
22 for heavier or light-duty trucks take effect.
23 In addition, while we certainly agree with EPA
24 that there should be some measure of flexibility
25 included in the Tier 2 program and find some of

1 the approaches provided for to be entirely
2 appropriate, we are quite concerned with various
3 aspects of some of the proposed provisions, such
4 as the amount of time allowed for manufactures
5 to make up for a credit shortfall under the
6 averaging banking and trading program and the
7 leniency of some of the emission standard bins.

8 Finally, giving the continuing trend toward
9 heavier light-duty trucks over eighty-five
10 hundred pounds, we encourage EPA to consider
11 applying the Tier 2 standards to those SUVs,
12 pickup trucks and full-size vans weighing up to
13 ten thousand pounds used predominately for
14 personal transportation.

15 We will fully articulate all of these
16 concerns in our forthcoming written comments.

17 For the proposed gasoline and sulfur
18 control requirements, as with the Tier 2
19 program, STAPPA and ALAPCO also believe EPA has
20 done a fine job in establishing the key
21 parameters of the proposed low-sulfur gasoline
22 program. EPA's proposal very appropriately and
23 necessarily establishes uniform, national,
24 year-around standards to sharply reduce sulfur
25 in gasoline; sets a gasoline standard -- sulfur

1 standard of thirty parts per million on average
2 to take effect in 2004, and includes a sulfur
3 gap of eight parts per million; includes
4 flexibility to minimize the cost to and
5 compliance burden on affected parties; and
6 provides incentives for refiners to take sulfur
7 levels prior to -- to reduce sulfur levels prior
8 to the 2004 effective date.

9 Last spring, STAPPA and ALAPCO conducted an
10 analysis concluding that a national low-sulfur
11 gasoline program of this scope will achieve
12 overnight emission reductions that are
13 equivalent to taking fifty-four million vehicles
14 off the road.

15 MR. WYSOR: You have two minutes.

16 MR. METHIER: Okay.

17 Further, throughout the debate surrounding
18 gasoline sulfur, the issue of a national versus
19 regional program has been paramount. We are
20 happy that EPA has proposed that the low-sulfur
21 gasoline standards apply uniformly and
22 nationwide. This will forestall the very real
23 and detrimental impact of irreversible catalyst
24 poisoning and will do so in a way that is both
25 inexpensive and cost effective, but this must be

1 done by 2004.

2 Speaking for Georgia now, we do have some
3 concerns about a part of the proposal which
4 appears to limit the credits the oil companies
5 can use for compliance of the state fuel
6 regulations as they phase into the national
7 program. We hope that states like Georgia, that
8 have taken a very strong proactive approach on
9 fuel on the companies which supply fuel here,
10 are not adversely effected by this.

11 We'll be discussing our specific concerns
12 in our written comments in the future.

13 In conclusion, STAPPA and ALAPCO applaud
14 EPA for seizing the opportunity to take a huge
15 step forward in achieving much cleaner air. We
16 commend your thorough process, your
17 conscientious inclusion of all stakeholders and
18 consideration of their views; and most of all,
19 for your leadership in proposing fundamentally
20 strong programs that are technologically
21 feasible, cost effective and environmentally
22 responsible. We urge that as you engage in
23 efforts to development a final rule for Tier 2
24 motor vehicle standards and low-sulfur gasoline,
25 you preserve undiminished the key elements that

1 we have identified and refine those aspects of
2 the proposal that could undermine the tremendous
3 potential of these programs.

4 Finally, we stress the need for the agency
5 to act in a timely manner so that these programs
6 will begin in the time frames identified. On
7 behalf of our association, I offer you our
8 continued cooperation and partnership as you
9 move forward.

10 MS. OGE: Thank you.

11 Mr. Bob Morgan.

12 MR. MORGAN: Thank you.

13 Good morning. I'm Bob Morgan, I'm
14 representing Placid Refining Company, LLC.
15 Placid is a small refiner by every statutory
16 definition. We thank you for this opportunity
17 to address the issues of sulfur regulation from
18 a small business prospective.

19 Our refinery has a capacity of fifty
20 thousand barrels a day, and we're situated in
21 Port Allen, Louisiana, directly across the
22 Mississippi River, from Exxon's
23 four-hundred-thousand-barrel facility. We
24 manufacture gasoline, diesel and military jet
25 fuel -- diesel both low sulfur and off road,

1 which is distributed through terminals
2 throughout six southeastern states in the United
3 States. The great majority of your gasoline is
4 marketed in the U.S. Gulf Coast. They have
5 three, which is dominated by large refiners.

6 As you must know, the number of small
7 refiners has declined substantially over the
8 last few years. And the impact of any
9 regulation has a disproportional economic
10 significance to a small refiner.

11 Regulatory flexibility is of utmost
12 importance to small business, more particularly
13 to the viability of small refiners. Small
14 business regulatory and flexibility I clearly
15 express is a will of Congress and administrative
16 agencies accommodate the concerns of small
17 business.

18 To this end, SABRIEFA (phonetically) has
19 provided us an effective vehicle for comment.
20 We are pleased with the SABRIEFA process and the
21 opportunity its afforded us to present
22 information helpful to EPA in formulating the
23 implementation of this proposed rule. We
24 appreciate EPA's attention to our concerns and
25 the information that we've provided in support

1 of our position. We're especially grateful to
2 the SABRIEFA panel members, who went to great
3 lengths to educate themselves firsthand on the
4 operational and logistic concerns encountered by
5 small refiners. And we're also indebted to the
6 refinery which opened its facility to the panel
7 for its inspection to give them a greater
8 understanding of the obstacles that we face in
9 compliance.

10 The SABRIEFA report recognizes and
11 succinctly addresses the concerns of small
12 refiners in general and EPA has successfully
13 incorporated the SABRIEFA findings in the
14 proposed rule. Although Placid and small
15 refiners in general would prefer even greater
16 flexibility than that proposed, we're confident
17 that the standards proposed will allow us to
18 continue to operate, although at substantially
19 higher cost. Any further weakening of the
20 flexible implementation proposed by EPA would
21 pose a serious threat to the viability of small
22 refiners.

23 Our position has pretty much been presented
24 by other refiners in Philadelphia, and so we
25 will shorten our remarks and that concludes our

1 presentation for today.

2 As they say on Capitol Hill, we would like
3 to reserve our right to revise and extend our
4 remarks and anticipate supplementing the record
5 with further comments that's appropriate within
6 the allowed period.

7 Also, we welcome the opportunity to discuss
8 with anybody that takes issue with any of the
9 flexibility standards proposed and thank you for
10 your courtesies.

11 MS. OGE: Thank you.

12 Ms. Josephine Cooper.

13 MS. COOPER: Good morning. I'm Jo Cooper,
14 President of the Alliance of Automobile
15 Manufactures. The Alliance is a coalition of
16 car and light-truck manufacturers with more than
17 six hundred and forty-two thousand employees and
18 two hundred and fifty-five facilities in
19 thirty-three states. We're proud to be there
20 and to talk about our environmental commitment.
21 Alliance members represent more than ninety
22 percent of U.S. vehicle sales.

23 The auto makers are stepping up to the
24 plate on Tier 2. However, we cannot accomplish
25 the Tier 2 role by ourself. Much cleaner fuels

1 are also needed in addition to the particular
2 standards to make this program work. We believe
3 EPA has an opportunity to clear a path for
4 future advanced technology vehicles and the
5 ultra-clean fuels that are needed to power them.
6 The Alliance fully supports the air quality
7 goals of this rulemaking. In fact, the Alliance
8 puts forward what we would say is a rebuff
9 proposal that can achieve even greater emission
10 reductions than the EPA's proposal. We are very
11 close on most issues in the proposal.

12 Like EPA, the Alliance proposal goes beyond
13 proven technology, breaks new ground by
14 requiring that cars and light-duty trucks meet
15 the same average NOx levels and assure
16 significant reductions in NOx emissions, more
17 than would have been achieved with the EPA
18 proposal.

19 The Alliance proposal is not one that says
20 it can't be done or to ask for a free ride.
21 It's a rebuff proposal that recognizes our
22 industry's important goal and responsibility in
23 helping the U.S. reach its clean air goals.
24 Actually we don't know yet how we're going to
25 reach the goals for all the vehicles that we set

1 for ourselves in our own proposal, but we are
2 prepared to take on the challenge. Can do is
3 our attitude.

4 I want to stress several key elements in
5 our proposal, elements that should not get lost
6 in the shuffle of this rulemaking process,
7 elements necessary for Tier 2 to be successful.
8 First, improved fuel, including near-zero sulfur
9 will be needed to reach the clean air goal.
10 Fuels and autos operate as one system, as Margo
11 indicated earlier. Near-zero sulfur fuels are
12 needed to enable the introduction of technology
13 that will allow us to meet these tough new
14 standards. It makes little sense to mandate the
15 production of world-class vehicles and then run
16 them on a less than world-class fuel.

17 We applaud EPA's proposed reduction in fuel
18 sulfur levels to an average of thirty parts per
19 million as a good first step towards the fuel
20 qualities we need to achieve the goal. This is
21 a sulfur level that California has required
22 since 1996. Clearly, the expansion of low
23 sulfur fuels from the California-owned program
24 to a nationwide program is long over due, along
25 with California's vitality control. However,

1 it's not enough to stop at thirty parts per
2 million. On the vehicle side, the Tier 2 rule
3 is an aggressive new program of
4 technology-forcing standards comparable to those
5 that California has had in place since 1998.

6 It appears now that California will be
7 taking a further step in reducing the sulfur
8 content of gasoline to accompany its aggressive
9 vehicular program. We believe that this is
10 necessary, recognizing that thirty parts per
11 million of sulfur is not an end point, but
12 rather a stepping stone on the way to zero
13 sulfur fuel.

14 Removing sulfur is both feasible and
15 affordable. The technology for sulfur removal
16 is readily available and it's in widespread use
17 in California, Japan, Europe, and other parts to
18 the world. The evidence indicates that the
19 Alliance proposal for near-zero sulfur fuel can
20 be achieved at modest cost. We need to get the
21 sulfur out nationwide. Simply put, sulfur is
22 the lead of the nineties because of the way it
23 poisons the catalyst, although oil studies have
24 shown that catalyst subjected to higher sulfur
25 fuel experience a loss of effectiveness that

1 cannot be recovered even after extended
2 operations on low sulfur fuel. In other words,
3 the emissions benefits get canceled out. That's
4 why a so-called regional fuel program is
5 unworkable, because vehicles traveling on a low
6 sulfur region into a high sulfur region will
7 experience an unavoidable degradation in the
8 performance of their emission control systems.

9 Sulfur removal is an essential enabler for
10 a new emissions control hardware and new
11 power-trained systems. Emission technology such
12 as NOx traps may enable advanced technology
13 vehicles to achieve significant improvements in
14 fuel economy. Fuel-cell vehicle may yet allow
15 us to attain the allusive goal of zero emission
16 vehicles. These and other promising
17 technologies are known to require near-zero
18 sulfur fuel. We can either put our hands in the
19 sand and ignore this fact or we can adopt the
20 regulations now to ensure that the necessary
21 fuel is in place to enable these new technology.

22 Another important point, auto makers need
23 enough flexibility in the time line to allow for
24 the invention of the technology necessary to
25 make EPA standards a reality. The Alliance

1 proposal agrees with EPA on the end point of .07
2 grams per mile NOx as a fleet emission average
3 for both passenger cars and light-duty trucks.
4 Getting there will take time and require us to
5 adhere to a number of technological programs.

6 The introduction of Tier 2 standards should
7 be accomplished in the two-phased approach set
8 forth in the Alliance proposal: one random
9 emission reductions in 2004 and even more
10 aggressive emission reductions started in 2008,
11 when, hopefully, near-zero sulfur fuel will be
12 available.

13 A third key point, an independent third
14 party feasibility study in 2004 is needed to
15 make sure that we're heading in the right
16 direction and that we can achieve the goals that
17 EPA has set out. The study should be conducted
18 by a mutually agreed-upon expert to establish
19 the feasibility of the second way of aggressive
20 standards based on the following four items:
21 five parts per million; sulfur fuels for both
22 gas and diesel; standards feasible for these new
23 lean-burn technologies; no edge by competitive
24 impact and standards that are cost effective and
25 affordable. There is no down time to planning

1 for this sort of independent review. If major
2 unexpected problems were discovered along the
3 way, the review process will give EPA an
4 opportunity to make new course corrections.

5 Our last important point, we would like to
6 ensure that the final Tier 2 rule continues to
7 foster not freeze out the development and
8 utilization of advanced technology vehicles.

9 The Partnership for a New Generation of
10 Vehicles of government industry partnerships has
11 determined that four stroke direct injection is
12 the most promising near-term technology for
13 meeting dramatically improved fuel efficiency
14 over the next ten years. EPA has concurred with
15 this selection. However, these lean-burn
16 technologies pose formidable emission control
17 challenges.

18 If the technologies are not allowed to be
19 developed appropriately, it could even restrict
20 a number of units that can be sold. The
21 catalyst for these technologies are extremely
22 sensitive to sulfur and their efficiency
23 degrades quickly without near-zero sulfur fuels.

24 EPA's proposal could effectively prevent
25 the fruits of the CNGV program from being

1 realized in the United States. As I said, EPA
2 should foster not freeze out advanced
3 technologies in the U.S. market. EPA can
4 enhance Tier 2 flexibility without incurring any
5 loss whatsoever of clean air benefit. They can
6 do this by expanding the number of certification
7 bins to encourage advanced technology vehicles
8 with no down side for the environment.

9 In conclusion, the Alliance fully supports
10 EPA's clean air goals. We're in agreement on
11 many fronts. Yes, some changes are needed to
12 make the rules more workable, but we are
13 confident that by working together with EPA and
14 other interested parties, these issues can be
15 worked out. However, we can't do this alone.
16 As our industry steps up to the plate with
17 cleaner and cleaner vehicles, we need our
18 colleagues in the oil industry to do their part
19 by providing cleaner and cleaner fuel. Only by
20 combining world-class vehicles with world-class
21 fuels can we realize our full potential and
22 ensure that future generations will have not
23 only the cleanest air possible, but also a
24 robust energy and transportation industry prime
25 to compete in the 21st century.

1 MS. OGE: Thank you.

2 Ms. Rebecca Stanfield.

3 MS. STANFIELD: Good morning. My name is
4 Rebecca Stanfield, and I'm the clean air
5 advocate for U.S. Public Interest Research
6 Group. U.S. PIR is the national lobby office
7 for the state PIR, which are a consumer and
8 watch dog group. We're active around the
9 country.

10 Our Clean Air Now Campaign is talking to
11 literally millions of people about this critical
12 issue over the summer. Over the past two weeks,
13 the 1999 smog season has descended upon most of
14 the eastern United States. Already this summer,
15 millions of Americans have been exposed to
16 levels of air pollution that are unsafe to
17 breathe.

18 If this summer is like 1998, we can expect
19 frequent and widespread violations of the
20 federal health standard for smog, not just in
21 our urban centers, but throughout the nation.
22 Last year's standards were violated fifty-two
23 hundred times in forty states. What this means
24 for people living in these areas, is that they
25 will experience declining lung function as a

1 result of breathing air in their communities.
2 For normal, healthy adults, it can mean not
3 working or exercising outdoors; and, over time,
4 lung tissue damage that could be irreversible.
5 For children, the elderly and those with asthma,
6 high smog days means losing work or school, not
7 playing outdoors with friends, hospital
8 emergency room visits for asthma attacks,
9 increasing susceptibility to infection and often
10 serious exacerbation of preexisting heart and
11 respiratory disease. Therefore, new standards
12 for clean cars and clean gasoline are not just a
13 good idea, they're absolutely essential to the
14 protection of public health.

15 Automobiles are the single largest source
16 of smog pollution, creating nearly a third of
17 the nitrogen oxide that cause fog formation.
18 EPA estimates that the standards will save
19 twenty-four hundred lives each year and prevent
20 over a hundred thousand people from being sick.

21 Together, the proposed Tier 2 standards in
22 gasoline sulfur standards comprise a strong
23 integrated approach to reducing pollution from
24 automobiles. There are many aspects of the
25 program which we applaud, some of which I will

1 describe below. I will also describe several
2 important ways in which the Tier 2 program
3 should be strengthened to prevent unnecessary
4 delays or complication and implementation and to
5 avoid exacerbating existing loopholes for bigger
6 and bigger automobiles.

7 First, we applaud the overall significant
8 reductions in pollution from the average
9 automobile that will be realized through the
10 Tier 2 program. The .07 grams per mile average
11 standards for nitrogen oxide based on a hundred
12 and twenty-eight thousand mile useful life is
13 approximately eighty-nine percent cleaner than
14 the Tier 1 standard. It is clear that while the
15 standard is aggressive, the technology to meet
16 the standard is available. This program will
17 also harmonize federal standards with those
18 adopted in California.

19 Second, we agree with EPA that the popular
20 sports utility vehicles must be treated no
21 differently for pollution purposes than cars.
22 There is no longer an expectation that the SU
23 vehicle be used as work cars. On the contrary,
24 they are widely acknowledged to be the station
25 wagon of the 1990s, rarely used for any purpose

1 more taxing than taking their family to the
2 grocery store and to soccer practice. The
3 justification for allowing SUVs to pollute more
4 is an artifact and the new standards should
5 reflect the new role of SUVs in our society.

6 Third, we agree that the nationwide sulfur
7 standard should be adopted to prevent to the
8 quickening of the sophisticated new pollution
9 control equipment. The automobile and the fuel
10 should be treated as a single system, and EPA
11 has appropriately proposed that new car
12 standards be accompanied by clean gasoline.
13 Moreover, we strongly that nationwide, rather
14 than regional gasoline standards, are critical
15 to the success of the Tier 2 program. As
16 Americans, we enjoy the ability to drive from
17 state to state and as consumers we would be
18 outraged to have dirty gasoline damage our cars.
19 More importantly, we have air quality problems
20 that cost the nation with violations of the
21 health standards in forty states last year,
22 there is no region that we would not benefit
23 from clean fuel.

24 The oil industry representatives have
25 argued stridently for lower phase-in of the

1 schedule for clean gasoline and increased
2 flexibility for small refiners. We believe that
3 EPA's proposal strikes an appropriate balance
4 between achieving pollution reduction and
5 allowing the oil industry ample time and
6 flexibility. EPA allows the industry to use an
7 averaging system, allows refineries to use
8 credits from early reduction, allows less
9 stringent caps in the first two years and allows
10 smaller time limits to meet both the stringent
11 standards through the years 2007. More
12 flexibility than this is unwarranted and would
13 result in unenforceable and effective program.

14 While a strong first step, EPA's Tier 2
15 program should be strengthened before it becomes
16 finalized this year. First, EPA's proposal
17 allows SUVs weighing between six thousand and
18 eighty-five hundred pounds an extra two years
19 before the Tier 2 car standards apply. There is
20 significant and growing number of these larger
21 SUVs on the market, including the Ford
22 Expedition, Dodge Ram, Lincoln Navigator, we see
23 these everywhere. EPA's proposal gives these
24 models until 2009, a full decade, before their
25 exemptions from clean car standards expires. We

1 believe that special standards for larger SUVs
2 should expire immediately.

3 Second, EPA's proposal does not address
4 pollution from the largest and dirties SUVs of
5 all, those over eighty-five hundred pounds. The
6 number of these super SUVs is also rapidly
7 increasing, as the Ford Excursion enters the
8 market to compete with the Chevy Suburban. By
9 not including these models in the Tier 2
10 program, EPA is giving auto manufacturers an
11 incentive to aggressively develop the ever
12 larger SUVs. We believe that Tier 2 should
13 apply the same .07 NOx average to all classes
14 and passenger vehicles, including those over
15 eighty-five hundred pounds.

16 Third, EPA's proposal will allow the
17 filtration of diesel vehicles, the pollution
18 from which poses especially severe health
19 impact. A growing body of research shows that
20 diesel exhaust has particularly severe health
21 impact, including greater risk in premature
22 deaths and greater risk of cancer. The highest
23 bid in the proposal is designed specifically to
24 allow for more diesel-powered vehicles, which
25 will continue to emit more toxic pollution than

1 gasoline-powered automobiles. The State of
2 California considered a similar proposal and
3 rejected that submission in order to protect the
4 citizens from the carcinogenic nature of diesel
5 exhaust and EPA should do the same.

6 And finally, I want to respond to a couple
7 of the things that we've heard over the last few
8 days from the auto industry and the oil
9 industry. First, the Alliance of Automobiles
10 Manufactures was calling to the agency to impose
11 five parts per million sulfur in gasoline limit
12 before it is required to meet EPA before
13 reaching the tailpipe requirements for heavy
14 light-duty trucks.

15 The Alliance is also calling for a
16 technology review in 2004 before the EPA's
17 proposal would become effective. We believe
18 that the EPA is not required and should not
19 conduct such a technology review. The agency
20 has well demonstrated that these standards are
21 achievable with thirty parts per million fuel in
22 its preamble in the Tier 2 reported to Congress.
23 This finding is also well demonstrated by
24 analyses performed by the California Air
25 Resource Board. We appose these initiatives

1 unless they are presented to higher standards
2 than impose lower emission rates than Tier 2 --
3 a Tier 3, if you will. A Tier 3 set of
4 standards is also needed to foster alternative
5 technologies that could obtain zero or near-zero
6 emission limits.

7 And finally, I would like to respond to an
8 assertion by the American Petroleum Institute,
9 that this initiative should be held up because
10 of the recent D.C. District Court decision
11 remanding the 1997 health standards. As Ms. Oge
12 said in her opening remarks, the court did not
13 challenge the fact that our air is dangerously
14 polluted, nor did it take away EPA's authority
15 and duty to cut pollution to protect public
16 health.

17 The American Petroleum Institute would have
18 EPA ignore the suffering of millions of
19 Americans rather than take cost effective,
20 common-sense approaches to cutting pollution and
21 clearing the air. The American public will not
22 stand for this for one minute. We urge EPA to
23 stand up to this outrageous industry argument.

24 And in conclusion, I thank EPA for allowing
25 me the opportunity to comment on the Tier 2

1 proposal and the gasoline sulfur standards, and
2 I look forward to submitting more details and
3 written comments later.

4 MS. OGE: Thank you.

5 Dr. Nancy Turbidy, welcome. Good morning.

6 DR. TURBIDY: Good morning.

7 I'm Nancy Turbidy, the Clean Air Specialist
8 of the American Lung Association of Georgia.
9 When asked to speak on air quality and its
10 effect on public health in Atlanta, my first
11 thought was, It's impossible to undo a hundred
12 years of growth and development in the city.
13 This progress has brought more cars and trucks
14 than we ever dreamed of. We can only offer
15 improvements to our current situation.

16 The American Lung Association and its
17 medical section, The American Thoracic Society
18 believes the proposed Tier 2 regulation are the
19 next step in EPA's continued progress towards
20 reducing health consequences of smog and fine
21 particle solutions.

22 The lungs constant interaction with the
23 environment, the air we breathe, makes the
24 impact of the environment inescapable. How well
25 and poorly our lungs perform depends directly on

1 the quality of air around us. In the U.S.,
2 there are over a hundred and seventeen million
3 people exposed to high levels of ozone. In
4 urban areas like Atlanta, motor vehicles are a
5 large part of the problem. Smog is created when
6 gases or vapors emitted from the motor vehicle
7 combine with nitrogen oxide, which compound in
8 the presence of sunlight, which we have a lot of
9 sunlight and warm weather in Atlanta. Imagine
10 the health effects. Ozone reacts to lung
11 tissue. They can inflame or cause harmful
12 exchanges and breathing passages decrease a
13 lung's working ability and cause the coughing
14 and chest pain.

15 Ozone air pollution especially effects
16 sensitive groups, such as people with lung
17 disease, young children and the elderly. People
18 who exercise and work outdoors are also more
19 vulnerable to the effects of ozone. Ozone
20 pollution, even at low levels, has been linked
21 to increased hospital visits and emergency room
22 admissions for respiratory problems.

23 The American Lung Association applauds
24 EPA's Tier 2 low sulfur gas proposal as an
25 important measure for protecting health.

1 Clearly, these new regulations are needed and
2 achievable. EPA estimates that these new rules
3 will lower levels of ozone and particulate
4 matter and reduce carbon monoxide. Most
5 important to the American Lung Association is
6 that cleaner cars and trucks and cleaner
7 gasoline will help save lives and reduce
8 illness.

9 Once fully implemented, EPA estimates these
10 rules could reduce premature mortality by up to
11 two thousand four hundred cases each year, acute
12 and chronic bronchitis by up to four thousand
13 cases each year and reduce cases of respiratory
14 symptoms and aggravation by over one hundred
15 thousand each year. Americans want clean air
16 and are willing to do their part.

17 The American Lung Association just released
18 its second national poll addressing many of the
19 issues in Tier 2's low sulfur gas proposal. An
20 overwhelming number of people, eighty-three
21 percent, would pay up to two cents more per
22 gallon for gasoline. The same large majority
23 favor clean gasoline nationwide. In addition, a
24 large majority, eighty-eight percent, want SUV
25 and minivans to meet the same emission standards

1 as cars. This view was held even among SUV and
2 minivan owners, eighty-five percent. Most
3 people also favor requiring diesel-powered
4 pickups and SUVs to meet the same standards as
5 passenger cars. People want clean cars and
6 trucks and cleaner gasoline.

7 Over the years we have learned not to let
8 the big tobacco companies decide what is best
9 for our health, the same must be true for air
10 pollution.

11 The American Lung Association has a
12 recommendation for strengthening these
13 proposals, which will be included in our written
14 comments.

15 Thank you.

16 MS. OGE: Thank you.

17 Any questions for the panel?

18 (No response).

19 MS. OGE: Thank you very much. Thank you
20 for taking the time to come and share your views
21 with us this morning.

22 MS. MARTIN: We would ask the second panel
23 to come forward: Harvard Ayers, Jerry Esper,
24 Doug Teper, Noel Schumann and Dr. Howard
25 Frumkin. I would also ask Margery Davis to join

1 this panel.

2 (Whereupon, the panel came before the
3 Board; and discussions ensued off the
4 record.)

5 MS. MARTIN: May I ask, then, if Warren
6 Slodowske is available and would be willing to
7 testify on this panel?

8 (Whereupon, Mr. Slodowske came before
9 the Board.)

10 MS. MARTIN: Great. Thank you very much.

11 UNIDENTIFIED SPEAKER: Margie's now giving
12 a speech over in the other place.

13 MS. MARTIN: I believe she's right there on
14 the front table. She just got here. Terrific.
15 Thank you, sir. She's quicker than you can even
16 imagine sometimes, isn't she?

17 Can I ask the rest of the panel
18 participants to please write your name and
19 affiliation on the cards in front of you.

20 And while everyone else is getting ready,
21 since Mr. Esper is all prepared, maybe I can ask
22 you to start.

23 MR. ESPER: Certainly. Thank you. My name
24 is Jerry Esper. I'm here to speak on behalf of
25 Daimler-Chrysler Corporation on the Tier 2 and

1 low sulfur rules that EPA has imposed.

2 We testified in Philadelphia and I will try
3 to abbreviate my comments and not repeat many of
4 the things that were said in Philadelphia,
5 except where I feel that they do need to be
6 clearly emphasized.

7 Again, as we did testify in Philadelphia,
8 Daimler-Chrysler is an industry leader when it
9 comes to supporting development of marginally
10 sound vehicle technologies. And while we have
11 very impressive record, I won't bore you with
12 all the details. But I do want to reaffirm that
13 we are committed to a continuing pursuit of
14 tough emission performance goals. We all do
15 want to reduce emissions. It will help and
16 achieve emission clean air goals. And we stand
17 ready to do our part.

18 As a member of the Alliance of Automobile
19 Manufacturers, we contribute to the development
20 of that organization's proposal and we fully
21 support it. The Alliance proposal calls for a
22 very aggressive development and infiltration of
23 new vehicle technologies. It was offered in the
24 spirit in the industry's previous voluntary
25 issue to the National Low Emission Vehicle

1 Program, which is already providing cleaner
2 vehicles to the northeast and will take those
3 vehicles nationwide beginning with 2001 model
4 year, which is a scant six months away.

5 The Alliance proposal makes sense because
6 it meets the industry need for appropriate
7 phrase-in of work load. It allows the oil
8 industry time to put the proper fuels in place
9 and it solidly meets projected performance of
10 EPA's proposal.

11 Compared to EPA's emission reduction goals
12 of eight hundred thousand tons per year in 2007
13 and 1.2 million tons in 2010, our program
14 proposed by the Alliance would achieve about
15 nine hundred and fifty-seven thousand tons and
16 one million two hundred and forty-eight thousand
17 tons in those same years. And the Alliance
18 proposal would provide continued reduction into
19 the future.

20 We support the program for which car and
21 light-truck standards for the nitrogen oxides
22 eventually converted to a comparable level in
23 that same level of 0.07 grams per mile that EPA
24 has proposed. However, we suggest a slightly
25 different gap to get there. One of the elements

1 of our concern is the 2004 review. And I want
2 to emphasize the importance of that review. It
3 must look at the emission reductions that cost
4 effective and affordable, that the program is
5 feasible; and if there is available of five
6 parts per million fuel, that .07 sulfur fuel
7 that you've heard about, that the standards are
8 feasible for lean-burn technologies and that
9 they not adversely affect any one company
10 relative to other companies.

11 Again, I must stress, in Philadelphia and
12 you heard earlier today, the importance of this
13 technology review and we agree that it is very
14 critical. We also believe that removing sulfur
15 from gasoline is critically important to give
16 the auto manufacturers any chance of meeting the
17 NOx fleet average projected. Quite simply,
18 sulfur is poison to exhaust treatment systems.
19 As vehicle hardware becomes clogged up, the
20 ability to operate to maximum effectiveness and
21 deficiencies is seriously compromised.

22 As we illustrated in Philadelphia, the
23 conversion efficiency of control devices tested
24 here shows a loss of efficiency of about ten
25 percent within just twelve hundred miles when

1 compared to the effects -- when comparing the
2 effects of operating on fifty ppm versus
3 eighteen ppm. Even the eighteen ppm sulfur fuel
4 causes some loss to the conversion efficiency.
5 As you look at the grafts, you'll see that you
6 get about forty percent loss of engine
7 efficiency as the mileage is increased. And as
8 we demonstrated on a calculation, a hypothetical
9 calculation in Philadelphia, which I won't take
10 you through, but that ten percent of loss of
11 conversion efficiency would cause the vehicle to
12 fail to meet the proposed standards; and a forty
13 percent loss of conversion efficiency would
14 cause the tailpipe emissions of vehicles to go
15 up by more than three hundred percent. This is
16 simply unacceptable.

17 Reducing the sulfur content to gasoline is
18 an emission strategy that promises to improve
19 air quality conditions across the country.

20 Mobility of the nations vehicle fleet demands
21 nationwide control of fuel quality. A lot of
22 the control system to be placed in one area so
23 that you have increase inflation in another area
24 simply does not make sense.

25 Additionally, sulfur clear gasoline would

1 allow manufacturers to make clear, more fuel
2 efficient hardware to market to prices that
3 could further reduce NOx and particulate matter
4 are intolerant to sulfur in gasoline.

5 Daimler-Chrysler has consistently
6 demonstrated its willingness to develop cleaner
7 world-class vehicles. We believe that these
8 vehicles deserve cleaner world-class fuels.
9 Unfortunately, much of the gasoline sold in the
10 United States today has a sulfur content that
11 exceeds that sold in many third-world countries.

12 Improved gasoline formulations Daimler
13 recognizes is a critical tool in the effort to
14 produce auto emissions. The thirty ppm sulfur
15 limit that the EPA is proposing to phase-in
16 starting 2004 has already been required in
17 California since 1996. Other fuel improvements
18 already in place in California and further
19 reduction to sulfur to about five ppm are
20 readily available, cost-effective measure, that
21 will improve the performance of the entire fleet
22 of vehicles on the road and ensure that the
23 sophisticated clean systems that auto makers
24 will need to develop to meet the Tier 2
25 standards are not wasted once in the hands of

1 consumers.

2 Finally, we know that many of the states
3 look to EPA to demonstrate leadership on
4 controlling emissions of the vehicles and fuel
5 systems. If EPA does not limit sulfur in
6 gasoline to five ppm as part of this rule, the
7 states will be forced to pursue cleaner fuels on
8 an individual basis. We agree EPA should
9 challenge the oil industry as aggressively as
10 it's challenging the vehicle manufacturers and
11 ensure the vehicles of the future are not forced
12 to operate at reduced effectiveness of fuels of
13 the past.

14 We will be providing written comments and
15 baring any questions, that concludes my
16 testimony for today.

17 MS. MARTIN: Thank you very much.

18 We have an overwhelming number of people
19 here that are trying to testify, so we decided
20 to try to expand our panel. I'm sorry that our
21 representative from Navistar is stuck over in
22 the corner there. So I would like to ask the
23 rest of the panel if you could all shift down
24 towards the middle of the room and give him a
25 little room at the table. I'd really appreciate

1 it.

2 MR. FRUMKIN: I think that's my penalty for
3 being late.

4 MS. MARTIN: Not intentional.

5 Then I would like to ask Mr. Frumkin if you
6 would to begin your testimony.

7 MR. FRUMKIN: I have a slide that's on its
8 way here, so if I can defer for a few minutes, I
9 would appreciate it.

10 MS. MARTIN: Certainly.

11 Mr. Ayers, would you like to present?

12 MR. AYERS: Yes. Thank you.

13 My name is Harvard Ayers, and I'm a
14 professor of anthropology at Appalachian State
15 University; and I chair an environmental
16 organization that's known as Appalachian Voices.

17 Appalachian Voices has scientists and
18 community organizers that are concerned with
19 such issues as air pollution, which is why I'm
20 here today, wood chip mills, strip mining and
21 public plans management.

22 With respect to air and many other types of
23 environmental protection, this whole
24 organization is fiddling. Folks we are
25 rearranging the deck chairs on the Titanic.

1 This is not some game played between industry
2 and their supporters in Congress. Children are
3 suffering from asthma. Trees are dying. One
4 quarter of the outer lakes in New York are
5 biologically dead. What does that mean? There
6 is no life in that water.

7 I appreciate all the numbers people are
8 spitting out. The fact is, that our environment
9 and our health is going down the toilet because
10 of air pollution. So what are we going to do
11 about that? That's what I want to know.

12 I got involved with an organization known
13 as SAMI. Well, you know about SAMI, Southern
14 Appalachian Mountain Issues. For three years I
15 worked hard with SAMI. The environmentalists
16 come together with industry folks, they come
17 together with bureaucrats and try to come up
18 with solutions for our problems. After three
19 years, I finally gave up with SAMI. SAMI is
20 doing studies and studying and studying. We
21 just need to stop the pollution. The technology
22 is here to clean everything up. If we rearrange
23 these deck chairs and the Titanic goes down, you
24 know, where are we? We're at the deep six,
25 right?

1 Resistance from industry, delays, controls
2 and buying of politicians the old fashion way,
3 as well as buying lobbyist that resent contorted
4 and distorted information in Washington, D.C.,
5 there's the problem, folks. But fighting with
6 conservative judges who override what the EPA is
7 trying to do, this is where the problem arrises.
8 This process is a recipe for disaster. The EPA,
9 as I'm concerned, under Carol Brown, who is
10 doing her absolute best to try to work within
11 this essentially broken system and to try to
12 repair what's wrong.

13 The industry has a number of different ways
14 that they can win: they can stop legislation;
15 they can water it down; they work with
16 administrative sources like Dan Quail's, or the
17 council, whatever it was that existed; and they
18 could also tie it up legally and with
19 conservative judges, can actually defeat the
20 purpose of EPA.

21 Let's talk about the effects, that's what
22 I'm really concerned about. Appalachian Voices
23 has been doing research on the effects, not just
24 on human health, this is not our problem, but on
25 the environment, human health effects are

1 extremely important. Air pollution comes from
2 two different sources: smoke stacks and
3 tailpipes. We're here today to talk about
4 tailpipes obviously. A commonality, two words:
5 sulfur fuel, this is where it's all at. Other
6 than CL2 and maybe DOTs, which have very little
7 significance here in the east, there are two
8 basic pollutants. We don't have to understand a
9 lot of chemistry, it's NOx and SOx, it's
10 nitrogen and it's sulfur. The smoke stacks are
11 going to give off both, the tailpipes mainly NOx
12 in addition to the DOTs.

13 A little boy with asthma, the trees, the
14 forest, the streams, we really can't wait for
15 all this to run its course; and by 2009, maybe
16 by then, folks, we'll do it. President Al Gore
17 got up in front of a group of people on Earth
18 Day at Shenandoah Nation Park and he said,
19 "Folks, we're going to clean up our air. We're
20 going to clean the sulfur out of our air to the
21 condition as they existed before human pollution
22 came along by the year," ready for this, "2062."
23 Now, could that man make such a pronouncement
24 without smiling; if he can, then he's more a
25 politician than he is environmentalist, I can

1 guarantee you. And my suspicion is that's
2 what's going on with Al Gore.

3 Let's talk about what's happening in the
4 high mountains, in the areas that I have
5 specific knowledge of. In the mountains west to
6 North Carolina, East Tennessee and South Western
7 Virginia, we have the very highest mountains of
8 the Appalachian chain. And that's what this
9 book is that I'm the senior editor of. The book
10 is called, The Appalachian Tragedy, Air
11 Pollution and Tree Death in the Eastern Parts of
12 North America." It shows pictures of dying
13 trees and on other pages it shows pictures of
14 smoke stacks and industries. It shows pictures
15 of automobiles. It shows the very definite
16 connection between these things. So this is
17 what we're doing. We flew over and did ground
18 research in the southern Appalachian, the Great
19 Smokey Mountain National Park, the Blue Ridge
20 area of the Appalachians, this is where we've
21 been working.

22 If any of you have ever been to the top of
23 these mountains know that the fruits and forest
24 are dying on Mount Mitchell, they're dying in
25 the Smokies, all along Blue Ridge Parkway, one

1 of our wonderful jewels of our country.

2 But what many people don't know is that
3 it's moving down. The hardwood forest, the
4 maples, the beach, the birch, some of our
5 favorite trees are dying in record numbers. In
6 many places twenty to thirty percent are
7 standing dead as mackerels right now. Near my
8 home in Boone, North Carolina, I can show you
9 hillsides where there is virtually no standing
10 live mature tree. All of them are standing
11 dead. This is going on right now. The soil up
12 there is so acidified that there's no question
13 that certainly hazardous is causing this.

14 Now, why are the mountains so much harder
15 hit? Here's the important thing, the mountains
16 are frequently in clouds. Cloud water is ten to
17 fifty times more acidic than the water that
18 falls out of it as rain or snow. So these trees
19 are regularly bathed in these higher mountains
20 on a regular basis in an acid mist, in a toxic
21 soot; and also ozone levels are higher.
22 Somebody said today, what, fifty-five days or
23 something like this, last year that Atlanta had
24 an exceedness of the eight-hour ADBBD standard,
25 approximately. Do you know that the Great

1 Smokey Mountain National Park had about the
2 same? Do you know that the Great Smokey
3 Mountain National Park is located in the most
4 air polluted place in this continent? And I
5 don't mean ozone. You've got more ozone out in
6 south California. But if you consider acid rain
7 and ozone and nitrification, the Great Smokey
8 Mountains are the most polluted place in the
9 country and probably in the continent. And this
10 is our most visited national park. Is there no
11 shame? When do we ever get to the point where
12 we say, folks, enough is enough? We have to
13 stop the pollution. We have to stop it now.

14 We're arguing about ten years from now
15 maybe we'll get this big SUVs taken off. Well,
16 I think those SUVs ought to go now. They ought
17 not to ever be encouraged by the government and
18 we need to do something with this now. I call
19 them suburban assault vehicles. I'm sorry. If
20 they ran over my little Toyota truck, I'd be a
21 dead duck. Maybe some people would be better
22 off if I were.

23 Anyway, that's pretty much my prospective.
24 We have to stop the NOx. We have to stop the
25 NOx. The last thing I'm going to say, we have

1 to stop the NOx. The nitrogen is what is doing
2 it. It forms ozone, it forms acid rain and it
3 nitrifies the soils and kills the forest in that
4 way, it's a triple threat. The technology is
5 there. The political will is not. When are we
6 going to wake up to who's running our country
7 and do something about this?

8 Thank you.

9 MS. OGE: Thank you.

10 Mr. Doug Teper, good morning.

11 MR. SHUMANN: Am I on?

12 MS. OGE: Yes, you are.

13 MR. SHUMANN: My name is Noel Shumann. I
14 represent the construction industry. And I've
15 been a builder for about thirty-five years. And
16 I have been associated -- probably built more
17 than five, six hundred homes.

18 I'm not sure what the answer is. I'm not
19 here to ram one view point down anyone's throat.
20 But I will say that the construction industry,
21 depending on whose report you read, is probably
22 the largest industry in the United States,
23 however fragmented it is. And trucks are very,
24 very important to this industry. You basically
25 have four kinds of users. The first one would

1 be the low income sub who does the clean up,
2 does the small tasks, and this kind of person
3 uses a small truck or an older used beat up
4 larger truck. The second type user is the
5 average subcontractor or a man who works for a
6 subcontractor. If you took a carpenter, he has
7 to load his trucks with saws, tools, ladders.
8 If you took a stucco man, he puts gasoline in
9 his truck, masonry products, he loads them down
10 and it's quite a heavy load. If you took an
11 electrician, you can have, again, the longest
12 ladders. You'd have three thousand dollars
13 worth of either appliances or lighting fixtures
14 that he hauls around bringing them from job to
15 job, same with landscaping, the same as any
16 contractor. These two classes, I believe,
17 represent the largest users of trucks probably
18 in the United States. And I feel like that
19 their income, we don't have a high level of
20 income involved with these people.

21 So when we talk about a possible cost of
22 two hundred dollars to make changes, I don't
23 know about the people in this room, but I found
24 the expectations -- some will meet reality. And
25 when you're dealing with either a car

1 manufacturer or you're dealing with the
2 government, things seem to go awry and the cost
3 end up being much more.

4 But you want to keep in mind that if a man
5 is making twenty to twenty-five thousand dollars
6 a year, the net usable income of paying more for
7 the truck might be the same as one of us
8 spending a thousand to fifteen hundred dollars,
9 because he just doesn't make that much money.
10 That two hundred bucks, four hundred, six
11 hundred, whatever it's going to cost, is a lot
12 more to that man to what it might be to most of
13 us. And because of that, I feel what's going to
14 happen is, number one, most of them cannot go
15 down to a smaller truck, they can't. They're
16 not big enough, they're not powerful enough,
17 they just can't haul what they need to
18 accomplish on the job. So I feel like they're
19 going to ride their trucks until the rot if this
20 change happens. And I feel that we're going to
21 end up with a lot of old junkers on the road or
22 they're going to jump up to over eighty-five
23 hundred pounds. And then we've got another new
24 set of problems. I think we're talking about an
25 awful lot of trucks to have this happen.

1 I think the other thing in the construction
2 industry -- And at first this might seem
3 trivial. But I'm talking about human behavior.
4 And many times it goes against the grain of what
5 all this might deal with is right. And that is
6 that the truck in construction industry is that
7 subcontractor's or that builder's self-esteem,
8 his image, whatever you want to call it.

9 I have a superintendent who worked for me.
10 He made twenty-six thousand dollars. His home
11 that he had, when he covered his down payment,
12 it was about a hundred and twenty thousand
13 dollar home. I went by his house, and there was
14 about eight people standing around obviously a
15 new Dodge Ram. That young man was as proud as
16 anybody you ever seen were. I mean, he wanted
17 to show me the inside, where he could put his --
18 this wide area where he could put his records
19 in. He wanted to show me all this stuff. And
20 my point is, to legislate or make him go back
21 down to a little small truck is just about next
22 to impossible. It would be like asking some of
23 us in here, me included, to go from driving my
24 Infinite SUV down to driving a Ford Farmount.
25 Somehow I'm going to figure a way around that.

1 I'm not going to do it. And the contractors are
2 the same way, it's just a different ball game.
3 And that ball game is, he's not doing to drive a
4 little truck. He's not going to drive the truck
5 that doesn't have power. He's going to do
6 whatever he has to do. I swear I think their
7 truck payments are more than their house
8 payments. And I think that this is a reality.
9 I think that this is a reality that we have to
10 face; that, one, we're going to effect the
11 largest industry in United States or the second,
12 whichever one you want to call it. We are also
13 going to not accomplish it after it's effected.
14 I just feel like they're going to steer around
15 it. I think we're going to end up putting a lot
16 more old used junkers on the road. And with
17 this, there's got to be a way that we can do
18 this without effecting the horsepower, power
19 loads and this kind of thing.

20 And with that, I'll end my testimony.

21 Thank you.

22 MS. OGE: Thank you.

23 Ms. Margery Davis, good morning.

24 MS. DAVIS: Thank you.

25 I did not realize that I was going to be

1 called on.

2 MS. OGE: Mr. Shumann.

3 MR. SHUMANN: Yes.

4 MS. OGE: Would you please stay, the
5 panel -- we may have questions of the panel.

6 MR. SHUMANN: All right. I'm sorry.

7 MS. OGE: Thank you.

8 MS. DAVIS: I have sat here listening to
9 the man on the end of the table and this man in
10 construction and realized what problems we have.
11 We're facing the dangers of losing the lives as
12 we know it, and yet there are many people that
13 are more concerned about what image they will
14 portray if they buy smaller cars.

15 We're trivializing things here today. This
16 is an important issue that our leaders need to
17 be aware of and they are not. There is a kyoto
18 protocol treaty to decide. Our leaders will not
19 even discuss it in the Senate. And, yes, we are
20 the largest polluter in the world and we're not
21 willing to take small steps that might hurt our
22 image if it will save our world. And that's
23 really about all I have to say.

24 I'm really not one of the figures that
25 should be speaking here. Dr. Frumkin and people

1 like that know the issues should be listened to
2 rather than my ranting. Thank you.

3 MS. OGE: Thank you.

4 Dr. Frumkin --

5 MS. MARTIN: I would like to just interrupt
6 for one second. I'm sorry. I just wanted to
7 say that you are important and as qualified and
8 capable of speaking just like all public
9 citizens are. That's one of the reasons we are
10 taking this panel, the EPA representatives,
11 outside the beltway, outside of Washington,
12 around the country, to meet with people like
13 yourself, and I really appreciate your coming to
14 be here today.

15 DR. FRUMKIN: Good morning.

16 MS. OGE: Good morning.

17 DR. FRUMKIN: For out of town visitors,
18 especially for the EPA staff who are living on
19 the road as they attend hearing across the
20 country, welcome to Atlanta.

21 MS. OGE: Thank you.

22 DR. FRUMKIN: My name is Howard Frumkin.
23 I'm a physician, an epidemiologist, specializing
24 in environmental and occupational health. I
25 chaired the Department of Environmental and

1 Occupational Health at the Rollins School of
2 Public Health, at Emory University, and I direct
3 and consulate a clinic in environmental
4 occupational medicine at the Emory Clinic. I
5 speak today, not on behalf of Emory, but in a
6 personal capacity, as a concerned physician and
7 public health professional.

8 From the prospective of medicine and public
9 health, the proposed Tier 2 standards are an
10 important step forward. Lowering automobile NOx
11 emissions to .07 grams per mile is a good idea.
12 Requiring other passenger vehicles, such as
13 pickups and SUVs to operate as cleanly as
14 automobiles is a good idea. Requiring the lower
15 particulate emissions for diesel fuel vehicles
16 is a good idea. And dropping sulfur levels in
17 gasoline on a nationwide basis to optimize
18 pollution control systems in motor vehicles is a
19 good idea.

20 These are good ideas because they will
21 result in lower ambient levels of ozone and
22 particulates, both of which are well-recognized
23 health hazards.

24 As for ozone, we have solid evidence from
25 studies from many cities, including here in

1 Atlanta, that exposure means to compromise lung
2 function, aggravation of asthma, increased
3 visits to emergency rooms, increased use of
4 medications and increased hospitalizations.
5 Certain populations are especially susceptible:
6 children, people with lung diseases, people who
7 work outdoors have the heaviest exposure,
8 including construction workers.

9 As for particulates, we have solid evidence
10 that exposure is associated with increases in
11 cardiovascular mortality. Again, certain
12 populations are especially susceptible: the
13 elderly, people with cardiovascular disease,
14 perhaps the very young.

15 Ozone is a special concern for us here in
16 Atlanta, and this is a good week to show why.
17 The table, that will probably arrive here for
18 display minutes after I finish, shows peak ozone
19 levels in parts per billion measured in each of
20 the eight monitoring stations in the metro
21 Atlanta area over the last three days. We've
22 had a little bit of a heat wave. Of the total
23 of twenty-four readings at eight stations over
24 three days, two-thirds of the peak levels
25 exceeds eighty parts per million. And several

1 stations here in Atlanta recorded peak levels in
2 excess of a hundred parts per billion.

3 We know that right now, as we come down off
4 a short heat wave, as we discuss the issue in
5 these hearings, children in Atlanta are having
6 difficulty breathing, some are visiting doctors'
7 offices and emergency rooms to seek relief.

8 But there are some problems with the
9 proposed Tier 2 standards. They do not go far
10 enough fast enough. The larger sports utility
11 vehicles should have to clean up just as fast as
12 cars. In particular, the very largest of such
13 vehicles should not have ten years to comply
14 with the new regulations. Sulfur levels in
15 gasoline should come down more quickly, and
16 smaller refiners should not get extra time to
17 comply.

18 Considering medical analogy, if we had a
19 new medication ready for production, affordable
20 and effective that we knew would relieve serious
21 illness and reduce mortality, we would not take
22 ten years to bring it to market. Even Viagra,
23 medicine that treats a non-fatal condition came
24 to market faster than that. Perhaps because for
25 some consumers it serves the same function as a

1 really big sport utility vehicle.

2 As a physician, I'm especially eager to
3 seek progress into keeping clean air. Patients,
4 neighbors and family members now ask my advice
5 about outdoor activities during Atlanta's high
6 ozone summers. People like to be outside.
7 Exercise is good for health. But I have to
8 advise them on high ozone days to limit their
9 outdoor exercises especially if they have
10 asthma, as more and more of us do. This is a
11 dilemma that will only be resolved at the
12 source, by cleaning up the ozone precursors.

13 As a person who likes to bicycle to work,
14 I'm also especially eager to see progress in
15 achieving clean air. On high ozone days, we're
16 all advised to leave the cars at home and to use
17 alternatives, including bicycling. What does
18 this mean? It means bicycling home at the end
19 of the workday, at the peak of the ozone curve,
20 on a high ozone day, through air that is unfit
21 to breathe. This, too, is a dilemma that will
22 only be solved at the source: by cleaning up
23 ozone precursors.

24 The Tier 2 standards are an opportunity to
25 change the way we, as a nation, transport

1 ourselves. We need to move ahead expeditiously.
2 We need to force the pace of technological
3 innovation. And if some vehicles, hugh sports
4 sport utility vehicle, burning diesel fuels, for
5 example, should become obsolete in the process,
6 I for one will not mourn then anymore than I
7 mourn the end of smallpox.

8 Cleaner fuel and lower emissions are an
9 essential public health measure, no less than
10 clean drinking water and vaccinations.

11 Thank you very much for the opportunity to
12 testify.

13 MS. OGE: Thank you.

14 Mr. Warren Slodowske, good morning.

15 MR. SLODOWSKE: Good morning and thank you.
16 I'm Warren Slodowske, and I'm manager of the
17 environmental staff of Navistar and I will be
18 reading the same comments that Patrick
19 Charbonneau, who is vice president of
20 engineering for the engine division of Navistar
21 International Transportation Corporation gave in
22 Philadelphia, he's my boss.

23 I am here today to discuss the impact of
24 EPA's proposed Tier 2 emission standards on
25 diesel engine technology which Navistar is

1 developing for light-duty vehicle application,
2 in partnership with our customer, Ford Motor
3 Company.

4 We believe that greater reliance on diesel
5 engines in this important market segment can
6 provide important environmental and economic
7 benefits. We support challenging but achievable
8 Tier 2 standards which create incentives for our
9 industry to invest in new generation diesel
10 engines which deliver superior emission control
11 performance. Clean diesel fuel, with sulfur
12 levels at or below five parts per million, is a
13 critical enabler for the new technologies we are
14 developing. We need EPA's help in assuring the
15 availability of ultra-low sulfur fuel for
16 light-duty vehicles by 2004 in order to achieve
17 the very aggressive Tier 2 targets EPA has
18 proposed.

19 With ultra-clean diesel fuel and new
20 aftertreatment systems, we foresee dramatic
21 breakthroughs in emissions controls. For
22 example, Navistar recently conducted a
23 demonstration of a passive trap technology using
24 a school bus with a heavy-duty diesel engine and
25 ultra-low sulfur diesel fuel. We are pleased to

1 report that we achieved reduction in particulate
2 emissions of over ninety percent, which will be
3 required to meet EPA's stringent Tier 2 limits
4 for PM. This is an exciting example of the
5 great strides forward we can take with this
6 combination of new generation diesel technology
7 and ultra-low sulfur fuel for both light-duty
8 and heavy-duty diesels.

9 I would like to make two other points about
10 this demonstration vehicle. The particulates
11 are fifty percent lower than the best 1998
12 certified CNG engine. Secondly, the hydrocarbon
13 emissions are lower than can be measured in a
14 certified test cell. Those who saw our school
15 bus in Philadelphia, could attest that there was
16 no smoke or diesel odor associated with the
17 exhaust coming from this bus.

18 Navistar is a major North American
19 manufacturer of medium and heavy-duty trucks and
20 buses marketed under the international trade
21 name. Navistar is also the world's largest
22 manufacturer of mid-range, a hundred and sixty
23 to three hundred horsepower diesel engines.
24 We supply these engines both to our other
25 Navistar divisions and to Ford.

1 Although we have made major strides in
2 emissions performance, Navistar expects to
3 achieve dramatic additional improvements by
4 continuing to invest in advanced emissions
5 control systems. As these new technologies come
6 to fruition, light-duty diesel should be able to
7 meet extremely stringent emission reduction
8 goals. Thus, provided we have realistic
9 phase-in dates and assuming that clean diesel
10 fuel is available. Navistar believes that
11 light-duty diesel has the potential of meeting
12 EMA's challenging Tier 2 targets.

13 As we approach model year 2004, reductions
14 in engine-out emissions and NOx and PM will be
15 obtained through the introduction of completely
16 new, technologically advanced engines. And
17 these advanced-engine technologies are
18 implemented -- After these advanced technologies
19 are implemented, further reductions in NOx and
20 PM emissions in the 2004 time frame will require
21 new after-treatment technology. Several options
22 under consideration, including advanced
23 oxidation catalyst and passive particulate traps
24 to reduce particulates and de-NOx catalysts and
25 NOx absorbers to reduce NOx. Evaluating and

1 then selecting the best technology will require
2 a major R & D effort by Navistar and vendors of
3 exhaust aftertreatment devices.

4 Once we have identified viable
5 aftertreatment methods, additional time and
6 investment will be needed to mature these
7 technologies to the point where they perform
8 efficiently under on-road conditions. Although
9 the aftertreatment options we are considering
10 are currently developing technology, our goal is
11 to make these technologies available in model
12 year 2004 through 2007. This assumes the
13 availability of ultra-low sulfur fuel so that
14 the effectiveness of aftertreatment is not
15 compromised by sulfur contamination.

16 While the rulemaking does not address
17 vehicles in the over eighty-five hundred gross
18 vehicle weight class, the technology
19 breakthroughs spurred by light-duty standards
20 could eventually be transferred to the heavy
21 duty engine line. Navistar has a long history
22 with leveraging common technologies across all
23 product lines, from pickup trucks to Class 8
24 trucks. For example, Navistar's HEUI fuel
25 system was originally developed for light-duty

1 engines in order to meet the requirements of
2 emission control, fuel economy and sociability
3 for this market segment; Navistar then applied
4 this technology to its larger engines. In a
5 similar manner, we would expect that the
6 base-engine improvements and aftertreatment
7 technologies developed to meet Tier 2 light-duty
8 targets ultimately to be transferred to heavy
9 duty diesel engines. This leveraging of
10 emission control breakthrough could have
11 substantial environmental benefits by creating
12 the technological foundation for lower emitting
13 heavy-duty diesel engines. With an expanding
14 presence in the light-duty market, as Tier 2
15 standards take effect, Navistar could justify
16 the sizeable R & D investment required to
17 support new emission control technology. These
18 will be applicable for all of our engine
19 classes.

20 With tighter controls on emissions of
21 nitrogen oxide and particulate matter,
22 Navistar's new generation of light-duty engines
23 will provide an unsurpassed combination of
24 environmental benefits. In comparison with
25 gasoline engines, diesel offers greatly improved

1 fuel economy, substantially reduced carbon
2 dioxide emissions, greater engine durability and
3 significantly lower emissions of hydrocarbons
4 and carbon monoxide.

5 These benefits have been recognized not
6 just by industry, but by government policy
7 makers. The Administration's Partnership for
8 New Generation of Vehicles has selected
9 compression-ignition engines, diesel, as the
10 leading candidate technology for achieving
11 greatly improved fuel economy without burdening
12 the consumers with added cost or reduced
13 convenience. This increase in fuel efficiency
14 will translate into reduced greenhouse gas
15 emissions as well as reducing additional
16 benefits like lower CO and hydrocarbon
17 emissions.

18 Based on these emission benefits, countries
19 in the European Union are encouraging rapid
20 dieselization of the light-duty fleet in order
21 to achieve the European Union's goal of a
22 twenty-five percent reduction in mobile source
23 CO2 emissions by 2008. If the United States
24 were to adopt policies which discourage
25 conversion of light-duty vehicles to diesel

1 technology, our near-term ability to address
2 global warming could be seriously compromised.
3 Despite the long-term promise of fuel cells and
4 other cutting-edge innovations, most
5 knowledgeable experts agreed that their
6 commercialization will not be feasible for many
7 years and that diesel is the only high
8 efficiency engine technology that is
9 economically viable for widespread use in the
10 near future.

11 There is one caveat to our ability to meet
12 dramatic strides of reducing NOx and PM
13 emission. We must have assurances that all
14 ultra-clean diesel fuel, with sulfur levels at
15 or below five ppm is available for light-duty
16 vehicles by 2004. All of our R & D work rests
17 on the premise that low sulfur fuel is a
18 critical technology enabler without which we
19 cannot achieve levels of NOx and PM control
20 called for by the Tier 2 proposal. Based on
21 discussion with our suppliers and our review of
22 available data, we are convinced that effective
23 aftertreatment will depend on the reduction of
24 fuel sulfur in five parts per million.

25 Let me deviate from the comments. I see

1 that Chet is calling me to pass.

2 We will comment more on this in the ANPRM
3 of diesel fuel. Let me quick though -- Let me
4 add this point, if EPA has not mandated low
5 sulfur diesel fuel when it finalizes the Tier 2
6 rule, this rule would need to provide alternate
7 NOx and PM limits for diesel engines that would
8 be feasible using correct rates of diesel fuel.

9 Finally, we believe that it's necessary to
10 eliminate the fifty K standard. We also feel
11 it's necessary to have a technology review.

12 In summary, ultra-low sulfur fuel is
13 mandatory for Tier 2 compliance. Technology
14 that are developed for light-duty diesel are
15 transferrable to heavy-duty diesel. The Tier 2
16 rule will not be feasible without the
17 elimination of intermediate 50 K standards and
18 the technology review will be essential to
19 assess the feasibility of those post-2000
20 standards.

21 Thank you for the opportunity to testify. I
22 hope Navistar's comments will be helpful to EPA
23 and we will be happy to answer any questions.

24 MS. OGE: Thank you.

25 Mr. Slodowske, a clarification question.

1 MR. SLODOWSKE: Sure.

2 MS. OGE: The first point I heard you
3 testifying today, is that Navistar believes,
4 with clean diesel fuel, that your company can
5 meet the 0.07 grams per NOx mile standard?

6 MR. SLODOWSKE: We believe that that is
7 possible. Certainly the path is clear on
8 particulate matter. But there are technologies
9 out there that need to be developed. We are
10 very optimistic about the NOx absorber
11 technology, but it is yet not an off-the-shelf
12 item. But it is very clear, that with all
13 ultra-low sulfur fuel, that technology will not
14 work.

15 MS. OGE: Thank you.

16 Mr. Noel Schumann, thank you for taking the
17 time from your business this morning to come and
18 share with us your concerns.

19 Let me make a statement towards your
20 concerned. As we are developing this very
21 important program, we have three criteria in
22 mind, and I just would like to share them with
23 you. First and most important, we are looking
24 to put a program forward that provides clean air
25 for all Americans, including the people that

1 live in Atlanta. And I hope that you agree that
2 that's a very important criteria for us to
3 follow.

4 MR. SHUMANN: We're together.

5 MS. OGE: Okay. Good.

6 Second, is very difficult. We do want to
7 put forward a program that is technologically
8 feasible. We want to make sure that you and the
9 people that work with you will be able to buy
10 those trucks; and if you can be assured a little
11 bit in our laboratory today, we have been able
12 to demonstrate to make this progress with just
13 buying trucks with the new catalyst. They're
14 getting very close below what we're asking them
15 to do, with our gasoline trucks. We agree that
16 for those trucks the work is going to be
17 challenging, they are going to be more difficult
18 to bring down to those standards than cars. But
19 we're confident that this can happen; first, and
20 very critical, is cost. As you have suggested,
21 we want to make sure that the consumer can
22 afford these vehicles. I estimate two hundred
23 dollars.

24 If you look historically -- you know, since
25 the Clean Air was introduced in 1970, we, the

1 government, has always, over estimated the cost.
2 Actually, the agency has been able to do a
3 terrific job in reducing the cost. So we are
4 hopeful that the cost of two hundred dollars per
5 truck would be the case. And I hope that you
6 agree that cleaner air is worth two hundred
7 dollars additional cost for those trucks.

8 MR. SLODOWSKE: Obviously you can't
9 disagree with that. I guess the only problem
10 and the concern that we have is that it won't
11 end up working that way. So many times I've
12 personally, in my experience, being kind of an
13 old man, have seen it didn't -- the good
14 intentions didn't work out and it just ended up
15 --

16 MR. AYERS: Could I comment on that?

17 MS. OGE: Excuse me. We do appreciate your
18 comments, and that's why we're around the
19 country listening to everybody, experts, public
20 views, business views as yourself. And we will
21 take all these views into consideration before
22 the agency moves forward to finalize their
23 order. And I can assure you that your comments
24 will be seriously considered.

25 MR. AYERS: Yeah, I would just like to say

1 that my experience has been just the reverse of
2 that. The industry generally has estimated
3 roughly ten times what the cost of something
4 will be, like when we started talking about
5 automobiles getting a certain gasoline standard,
6 people were going to be priced out of the
7 market. But really that has not happened
8 because there's been so much left in the
9 industry.

10 When they were told that they had to reduce
11 the SO₂ out of smoke stacks, they came up with
12 this incredible estimate of how much it was
13 going to cost amongst Duke Power, American
14 Electric Power, and Southern Company and the
15 like. And the cost was roughly -- it turned out
16 a tenth. And really, basically, industry way
17 over estimates. And I think our EPA president
18 has been very diplomatic about trying to put in
19 such a way that they gave industry credit for
20 reducing the amount which it actually cost. The
21 fact is that industry over-estimates; and I
22 think the cost, if anything, will come in even
23 under what EPA has estimated.

24 MS. OGE: Thank you.

25 I would like to thank all of you for taking

1 your time in coming and sharing your views with
2 us this morning. You've been a very important
3 panel and discussion. And we will take all your
4 comments into consideration. Thank you very
5 much.

6 I don't know if my colleagues from EPA have
7 any questions?

8 (No response).

9 MS. OGE: Thank you very much.

10 We will call the next panel, individuals
11 that have us to testify. And since we're doing
12 so well with time, we will go ahead and call the
13 new panel. We will start with Mr. Doug Teper
14 from our previous panel. Good morning.

15 MR. TEPER: Good morning.

16 MS. OGE: And as I call your names, please
17 come forward.

18 Mr. Dennis Hopper, Mr. Anthony DeLucia,
19 Joanne King and Juan Ruiz, Michelle Artz, Mr.
20 Bob Fletcher, Mr. Robert Pregulman.

21 (Whereupon, the panel came before the
22 Board.)

23 MS. OGE: We would ask you to please keep
24 your remarks to ten minutes or less.

25 You can go ahead with you, Mr. Teper.

1 MR. TEPER: Thank you very much for being
2 here today. My name is Doug Teper and I have
3 the privilege of serving in the Georgia House of
4 Representatives. I'm currently serving in my
5 sixth term, having originally been elected in
6 1988.

7 While serving in the Georgia Legislature,
8 I've spent ten years on the House of National
9 Resources and Environment Committee. That
10 experience, along with a number of years in a
11 number of non-profit organizations, I've had the
12 experience of learning quite a bit about the
13 subject matter we're dealing with today.

14 As background, I will tell you that I have
15 spent a year in Washington, D.C. as a --

16 MS. MARTIN: We're sorry about that.

17 MR. TEPER: I was an advocate on behalf of
18 a coalition of organizations. We worked on
19 energy and environmental issues. One of the
20 organizations I was associated with was an
21 organization called Environmental Policy
22 Institute on Capitol Hill. I didn't work on the
23 Clean Air Act. Actually I worked on a energy
24 policy quite a bit, but quite often I had to
25 deal with the Clean Air Act. I also want to let

1 you know that I currently serve on the board of
2 an organization called LEAF, Legal Environmental
3 Association Foundation. I also served on the
4 board in Washington, D.C. of an organization
5 called Nuclear Information Resource Service. In
6 that capacity, I have quite a bit of experience
7 dealing with air quality as it pertains to the
8 utility industry. But that's not the subject of
9 today's discussion.

10 I want to talk about the proposal that EPA
11 has put out. I want to thank you and the EPA
12 for the efforts to make our air safe to breathe
13 by cutting the pollution from automobiles. At a
14 time when asthma rates are on the rise and more
15 people than ever before are vulnerable to severe
16 health impact of air pollution, we need the
17 strongest possible regulations controlling air
18 pollution from all major sources.

19 Right now we have a serious air pollution
20 problem around the country and specifically here
21 in Georgia. It has been my role to deal with --
22 Well, here in the metro Atlanta region we have a
23 serious problem, we're a non-compliance area.
24 We have lost transportation funds. I've worked
25 closely with the new governor and the

1 legislature to pass what we think is a
2 revolutionary piece of legislation which created
3 a regional transportation authority. And I
4 believe, and I have great faith in our new
5 governor, we're going to make great strides in
6 addressing those. But I do not believe that we
7 can do it alone. I think it is very, very
8 necessary. Unfortunately, from a state
9 legislator's prospective, to have the federal
10 government come in, beat up federal legislation
11 and regulations fighting environmental
12 protection agency, notwithstanding what the
13 federal courts have been saying recently, we're
14 going to need help or we will never meet the
15 preexisting standards that we already have in
16 place.

17 I've been in the unfortunate situation in
18 the legislature having to vote on legislation
19 which created a thirteen-county testing area for
20 automobiles. At the time I had an amendment on
21 the floor of the house to expand that statewide.
22 There was no way that my amendment was going to
23 pass and I withheld it. But the point being at
24 the time that a thirteen-county testing area in
25 state that has a hundred and fifty-one counties

1 and that has one of those largest commuting
2 zones of any state in the United States, it was
3 not going to get the job done and it has not
4 gotten the job done. And the problem that has
5 come about is the lost of significant highway
6 funding for my friends in the highway building
7 business as well as my friends who sell cars.

8 We've got a problem now where the
9 remarketable economic boom that Atlanta has had
10 for the last at least twenty years, it is about
11 to come to an end because corporations, Fortune
12 100 and Fortune 500 companies, no longer want to
13 locate either their major headquarters or their
14 regional headquarters here in Atlanta, for the
15 very fact that they cannot get their employees
16 to work because they're standing in traffic and
17 because of the health threat; that our really
18 wonderful quality of life has suffered in the
19 last twenty years because of, among other
20 things, pollution from auto sources. That as a
21 way of introduction, and let me move quickly.

22 I want to reiterate what I believe some
23 other speakers have said. I'm very concerned
24 about a number of issues within the proposal
25 that EPA has put forward. I think there should

1 be no special treatment of heavier vehicles.
2 All passenger vehicles, including minivans and
3 SUVs, should meet the same standards at the same
4 time. Larger SUVs should not be given extra
5 time to clean up. Right now the proposal
6 includes a separate schedule for these heavier
7 vehicles. These vehicles will have lower
8 protection standards than any in other vehicle
9 class. The industry has always responded with
10 new technologies and products when standards are
11 firm and deadlines are reasonable. The ten-year
12 phase-in schedule for heavier vehicles far
13 exceeds any phase-in period for passenger
14 vehicles ever proposed. This schedule asks the
15 victims of air pollution to once again wait for
16 relief; if anything, the time line should be
17 shortened.

18 In addition, this proposal does nothing to
19 clean up super-sized SUVs, such as the Ford
20 Excursion. This could lead to increased sale
21 and production of these overgrown passenger
22 cars. Heavy-duty trucks should be required to
23 clean up their emissions as well. There should
24 be no special treatment of diesel technologies.
25 All vehicles, regardless of engine technology or

1 fuel use, should meet the same public
2 health-related standards. There is no logical
3 justification for special treatment for diesel
4 technologies. Yes, the Tier 2 proposal has
5 created a two-vehicle category that would
6 permanently allow diesel engines to pollute
7 twice as much soot as gasoline engines and up to
8 ten times as much smog-forming nitrogen oxide.
9 Giving the toxins and likely carcinogenic nature
10 of diesel exhaust, there should be no incentives
11 to increase the amount of diesel vehicles on the
12 road.

13 The sulfur levels in gasoline should be
14 lowered more quickly. The current proposal will
15 reduce the sulfur content in gasoline but allow
16 an extended timetable for small refiners. Low
17 sulfur gasoline needs to be adopted nationally
18 at the same time as new emission standards. By
19 allowing some refiners to continue to produce
20 certain gasoline, there will be negative impacts
21 on the pollution control technologies of newer
22 cleaner cars. I am willing to pay, and I
23 believe the forty thousand people that I
24 represent, about eight miles from here, would be
25 willing to pay the extra cost. And I might want

1 to mention Georgia has the lowest gasoline taxes
2 in the country, which depending on your
3 prospective, is either a negative or a positive.
4 But it's about seven and a half cents a gallon,
5 which is dramatically lower than every other
6 state in the country. And I think Georgia, like
7 a lot of states could certainly afford to pay an
8 extra cost per gallon.

9 There should be increased incentives for
10 advanced technology vehicles. The new standards
11 do not provide sufficient incentives to spur the
12 development of cleaner technologies, such as the
13 battery electric and fuel-powered cars. In
14 order to move the market for its future advanced
15 technology vehicles, the EPA must do more and
16 get more of these vehicles on the road.

17 The Tier 2 proposal is a strong start to
18 reducing air pollution; however, since this
19 decision will effect our air quality for decades
20 to come, we cannot afford to risk the public
21 health by adopting a proposal that does not
22 address the above -- the just mentioned areas of
23 concern. We need the strongest possible
24 regulations to control air pollution.

25 Thank you once again for coming here and

1 allowing the people in the southeaster United
2 States to comment on this testimony. And being
3 one who has served in public service for a
4 number of years here, I know the dedication and
5 the commitment and sacrifice that you make and I
6 believe working together, industry, the
7 community, the advocates on all sides will come
8 together and do what's right for the good of the
9 people of the United States and their health.

10 Thank you very much.

11 MS. OGE: Thank you.

12 Ms. Joanne King, good morning.

13 MS. KING: Good morning. My name is Joan
14 King, and I live in White County, which is a
15 rural area of north Georgia. I want to thank
16 you for running such an efficient meeting here,
17 because I thought I was going to have to stay
18 around till some four or five o'clock this
19 afternoon.

20 I drive a sports vehicle, and my husband
21 drives a pickup truck; this we find necessary
22 because we live on the side of a mountain of a
23 long dirt road. So I understand the need for
24 vehicles like this, but I am also deeply
25 concerned about air quality.

1 I speak here today as the southeastern
2 spokesman for Twenty-Twenty Division, which is a
3 national alert system, focused on the
4 environment and also for Atlanta WAND, a women's
5 group that is concerned about peace and justice
6 issues. I'm also a member of my community's
7 environmental concerns committee and network
8 with literally dozens of environmental groups,
9 statewide, national, including the USR, Union of
10 Concerned Scientists. Now, this is a lot of
11 people. But what people like us lack is some of
12 the access and financial clout of the industry
13 which is the ones that are going to have to deal
14 with this problem. And after listening to it
15 today, it seems that they say, well, we're going
16 to do something about it, but we're going to
17 have to have a lot of time in which to do it.

18 While I'm not going to go over the facts
19 because we've done all that. We know we have a
20 serious problem and there's a lot at stake. I
21 remember back -- I was a child, during World War
22 II; and afterwards, I learned about the
23 Manhattan Project. Well, this nation focused
24 itself on producing the nuclear bombs. This was
25 a major breakthrough in technology and we did

1 this in a very short time because we felt our
2 lives were at stake. It was absolutely critical
3 that we developed this technology. And now
4 we're sitting around and saying, oh, well, yes,
5 we need to clean up our air pollution, but we
6 need ten, fifteen years in which to do it.
7 Well, I think this is nonsense. I think I've
8 got more faith in American industry than they
9 have in themselves. They complain they can't do
10 it, and it's a matter of time; but when push
11 comes to shove, when the regulations are there,
12 somehow they manage. They make a profit.
13 People are still buying cars, still buying
14 gasoline. We can do it. And I want to see the
15 strictest regulations you can possibly mandate
16 because only when they are mandated will people
17 get down to serious business of cleaning up our
18 air.

19 And I was much impressed with the passion
20 of the gentleman here, who was the
21 anthropologist. That happens to be my field
22 when I was in school. He was very dramatic, but
23 he was on target. Our lives are at stake,
24 folks. It's not just the asthmatics. It's all
25 of us, because we are not doing the right thing

1 about our environment.

2 So please remember the vast number of
3 people out there who can't get to meetings like
4 this and don't ask the clout to go head to head
5 with lobbyist and politicians and give us the
6 best, please.

7 Thank you very much.

8 MS. OGE: Thank you.

9 Mr. Juan Ruiz. Is that how you pronounce
10 your name?

11 MR. RUIZ: Ruiz.

12 MS. OGE: Ruiz. Good morning.

13 MR. RUIZ: Good morning.

14 Hello. My name is Juan Ruiz. I'm
15 associated with U.S. PIRS. I'm here as a
16 private citizen.

17 I have had experience with health problems
18 related to air pollution. As a child in
19 Columbia, where I was born, I suffered through
20 asthma problems. I was not a healthy active
21 child. Poor regulations on auto industry and
22 just with basic industry emissions, combined
23 with geographical features that attracts air
24 pollution, help to exaggerate the problems that
25 were in my home city. When my family immigrated

1 to the United States, specifically Florida, my
2 problems gradually went away. And I have been
3 concerned of the recent trend here in Atlanta,
4 the smog alert and for myself, I feel that I
5 could try to withstand some air pollution until
6 some later time, but I will not take any chances
7 when I start a family.

8 I believe there are other countries,
9 specifically in Europe, that have better
10 environmental standards, through better mass
11 transit and regulations, where my family and I
12 could live in a healthier matter. But we will
13 still be effected by the stress applied to the
14 earth by any country that does not regulate.

15 I have been encouraged to see these
16 proposals by the EPA; and also, I read in the
17 New York Times that Ford, and I quote, "Ford
18 says that beginning with the 2000 model year,
19 the eight hundred thousand full-sized pickup
20 trucks it makes annually, including the top
21 selling F-150s, will meet current pollution
22 standards for cars." Although the largest
23 models are expected to meet even the tighter car
24 rules taking effect next year -- And the Clinton
25 Administration has recently proposed standards

1 for large pickup in the 2004 and 2007 model
2 years. Now, this is pretty good. It seems
3 reasonable. But I would just strongly urge for
4 EPA to speed up the requirements; and if not by
5 regulations, they might tax break to
6 manufacturers and consumers. I do believe that
7 all cars should be held to the same standards.
8 The cost that we pay now will be paid later in
9 health cost and environmental clean up and the
10 lives hurt or lost is something that we can
11 avoid. And we should improve it now rather than
12 later. That is all.

13 MS. OGE: Thank you.

14 Mr. Bob Fletcher, good morning.

15 MR. FLETCHER: Good morning. My name is
16 Bob Fletcher, or formally Robert E. Fletcher.

17 I support cleaner air and the EPA's Tier 2
18 proposal to reduce auto pollution. For the last
19 seven years, as a volunteer with the Georgia
20 Chapter of the Sierra Club and other grassroots
21 organizations, I have worked for more extensive
22 transportation options and improved air quality in
23 the metro Atlanta area. Most recently I
24 participated as a member of the task force
25 established by the Atlanta regional commission to

1 develop emission control strategies for the new
2 regional transportation plan.

3 As we've heard on numerous occasions this
4 morning, air pollution is still a major problem
5 in our country. And I might parenthetically say
6 that the situation would be decidedly worse if
7 measures to clean up the air had not been taken
8 since 1970 under the Clean Air Act.

9 In the Atlanta metro area, over half of the
10 smog producing air pollutants are emitted from
11 on-road vehicles. This burden from vehicles is
12 proportionately higher than that found in most
13 other areas in United States. Accordingly, the
14 Atlanta area has a heightened stake in the
15 stronger Tier 2 standards. More effective
16 vehicle emission standards and less polluting
17 fuels are vital elements in the multi-faceted
18 national strategy to improve air quality. The
19 proposed Tier 2 rule changes represent a big
20 step in the right direction that improvements
21 should be made before they become final: one,
22 there should be no special treatment for heavier
23 vehicles. We've heard this by other testifiers.
24 Now is the time to propose a major loophole and
25 have all passenger vehicles simultaneously

1 subject to the same emission standards. It is
2 noted that 1994 emission standards were
3 originally proposed to be identical for cars and
4 light trucks; but, of course, that did not
5 happen. Substantial changes in the national
6 passenger vehicle fleet are taking place. One
7 can observe any busy intersection and see the
8 trucks and SUVs represent an increasing
9 proportion of the total. It is a matter of
10 simple equity for the auto industry and all
11 members of the driving public to do their share
12 to solve the air pollution problem. Trucks used
13 primarily as passenger vehicles, minivans, SUVs
14 and super-sized SUVs over eighty-five hundred
15 pounds, should be dealt with in exactly the same
16 fashion as other passenger vehicles. All new
17 passenger vehicles should meet Tier 2 standards
18 by the year 2007.

19 Two, there should be no special treatment
20 of diesel technologies. All vehicles regardless
21 of engine technology or fuel used should meet
22 the same health-related standards. However, as
23 it now stands, the Tier 2 proposal permits
24 diesel engines to pollute twice as much soot and
25 up to tens times as much as smog-forming

1 nitrogen oxide as gasoline engines.

2 Three, the sulfur levels in gasoline should
3 be lower nationally to thirty parts per million
4 at the same time that new vehicle emission
5 standards go into effect. This change should
6 take place simultaneously for all refiners,
7 regardless of size. California, as we've heard,
8 already has a thirty parts per million standard.
9 And nationwide it would be the equivalent of
10 removing fifty-four million cars from the road.

11 Four, there should be increased incentive
12 for advanced technology vehicles. I've heard
13 electric and fuel cell vehicles are technically
14 feasible and they are less polluting than those
15 powered solely by internal combustion engines.
16 The new standard promulgated by EPA should
17 provide stronger incentives for development and
18 use of these advanced technologies.

19 Some say that we as a nation cannot afford
20 the improved emission standards for our
21 vehicles. This is reminiscent of statements
22 when the Clean Air Act was being considered in
23 1970. For example, Iococca, then vice president
24 of Ford Motor Company, predicated that passage
25 of the Clean Air Act would cause complete

1 collapse of the U.S. auto industry and would
2 permanently cripple the national economy. As we
3 know, Detroit still makes cars and does so
4 profitably. Our country is the midst of an
5 unprecedented economic expansion.

6 Many economists agree that the public
7 health and environmental protection benefits of
8 the Clean Air Act vastly outweigh the cost. One
9 comprehensive study determined every dollar
10 spent on compliance with the Clean Air Act from
11 1970 through 1990 yielded at forty-four dollars'
12 value of benefits. That's a pretty substantial
13 return on an investment.

14 Your organization estimates that Tier 2
15 emission standards will add only one hundred to
16 two hundred dollars to the price of new cars.
17 EPA has also estimated that low sulfur gasoline
18 will only increase cost by one to two cents a
19 gallon. These are very modest amounts to pay
20 for more breathable air.

21 Recent polls indicate that an overwhelming
22 majority of Americans feel that the same
23 emission standards should apply to all passenger
24 vehicles if they would be willing to pay two
25 cents more per gallon for cleaner gasoline.

1 Decisions concerning the proposed Tier 2
2 standards will influence air quality for several
3 decades into the 21st century. The health and
4 well being of our children, grandchildren and
5 great grandchildren will be effected. These
6 future citizens have no voice in the current
7 decision-making process. Accordingly, we have
8 an inescapable moral imperative to do the right
9 thing.

10 EPA's Tier 2 proposal is a good start.
11 However, it should be strengthened as I have
12 previously described. Conversely, efforts to
13 weaken the rule even further should be
14 strenuously resisted.

15 I certainly appreciate the opportunity to
16 put my comments here at this public hearing.

17 MS. OGE: Thank you.

18 Mr. Robert Pregulman, good morning.

19 MR. PREGULMAN: Good morning. Thank you
20 for allowing us to speak today. My name is
21 Robert Pregulman. I'm the southern field
22 director for the U.S. Public Interest Research
23 Group. And I'll try to keep my comments brief
24 and not repeat too much of what's been said.

25 Thanks to efforts of the EPA and their

1 initiatives, our cars are cleaner than they were
2 thirty years ago, much, much cleaner than they
3 were. The reason is not because of initiatives
4 from the oil and automobile industries, but
5 because of regulation by the EPA. And I know a
6 couple of people have made some references to
7 the historical opposition that the oil and auto
8 industries have had to higher standards. I have
9 specific examples I would like to mention. Mr.
10 Fletcher already touched on one. In 1970,
11 Iacocca, who has been the vice president of Ford
12 Motor Company, said the 1970 Clean Air Act would
13 prevent continued production of automobiles and
14 is a threat to the entire American economy and
15 to every person in America.

16 In a paid ad in 1973, the Chrysler
17 Corporation said, "No automotive company we know
18 has found a way to meet both the 1975 and 1976
19 standards. We'll need very costly catalyst
20 converter systems in every car. And at this
21 point these systems are delicate and not fully
22 proven." In 1973, Mobile Oil Corporation
23 called the 1970 Clean Air Act the
24 sixty-six-billion-dollar mistake. In 1989, the
25 Motor Vehicle Association said achieving the

1 Tier 2 standards is not technologically
2 feasible. In 1992, Mr. Jamison Knor, President
3 and CEO of Texaco at the time said cleaner
4 gasoline may cost as much as twenty-five per
5 gallon.

6 We all know that none of these predictions
7 have come true. As a matter of fact, it's been
8 quite the opposite as most people have said.
9 The cost associated with these tighter
10 restrictions in emissions have not only been
11 much less than industry originally proposed, but
12 are also far outweighed by the health benefits
13 of having cleaner cars and trucks. But cars are
14 still a problem and the air pollution is still a
15 problem despite the fact that cars are cleaner
16 than they were thirty years ago. As a country,
17 we're now driving two and a half times more per
18 year than we did in 1970s. So we're putting out
19 many more emissions. And obviously, back in
20 1970, there weren't many SUVs at all on the
21 road, only primarily for work purposes. Now one
22 out of every two cars is an SUV; and, as you
23 know, they pollute at three times the rate than
24 regular cars do. So that's why it's critically
25 important for us to follow through with these

1 tougher regulations.

2 And just to briefly summarize, we do
3 believe that the EPA is on the right track with
4 a ninety percent reduction in car emissions,
5 requiring some SUVs to meet the same clean air
6 requirements as cars and the ninety percent
7 sulfur reduction in gasoline. However, to
8 reiterate what many people have said today, we
9 do believe that there should be no special
10 exemptions for heavier SUVs. The mid-category
11 range of SUVs should not have an extra two years
12 to comply and the largest category, eighty-five
13 hundred pounds and above, should not be
14 exempted. I think it's obvious that the car
15 industry will start making larger and heavier
16 SUVs if that loophole is inactive and it will
17 counteract many of the good things that you all
18 are proposing.

19 We do think that sulfur reduction is
20 adequate, but we do think it should take place
21 in 2004 in conjunction with the cleaner cars.
22 And to reiterate again, we do think that diesel
23 engines should be required to meet the standards
24 as gasoline engines. They should not be given
25 any special privileges.

1 To give you an example of why this is
2 important here in Georgia, as Representative
3 Teper mentioned earlier, we have a clean air
4 problem here in Georgia. And part of our state
5 government's solution to that was to require low
6 sulfur gasoline to be sold during the summer
7 months in several north Georgia counties. The
8 good news is, it was sold starting two years ago
9 -- excuse me, two months ago. But the cost has
10 been virtually negligible. There's been no
11 noticeable increase in price. But we do know
12 that low sulfur gasoline can be provided with
13 very low cost. The bad news is, it's only sold
14 during the summer months and it's not sold all
15 over the state. So if you buy gas in other
16 parts of the state or during the winter, the
17 high sulfur content will still damage catalytic
18 converters and still cause cars to pollute at
19 higher levels. So we do need a comprehensive
20 systematic problem. That's why it's critically
21 important for these measures to go through as
22 proposed with the corrections that I mentioned
23 before.

24 Finally, I've heard some people mention
25 cost and the fact that the public will not stand

1 up for either higher cost gasoline, which won't
2 happen anyway, or paying slightly more for SUVs.
3 We run a national grassroots door-to-door
4 operation. We are talking to millions of people
5 all over the country about this issue. Most
6 people do not know that SUVs pollute up to three
7 times more than cars. They are very supportive
8 when we tell them that these Tier 2 standards
9 are going into effect. Many of them want these
10 loopholes closed to make all SUVs as clean as
11 cars. And just to give you an example, I've got
12 five thousand postcards here from folks in
13 Atlanta and along the east coast in support of
14 the standards, but also calling for these tying
15 up the loopholes. And I will deliver those to
16 you all today. And it is clear from us and our
17 folks that are talking to people in their homes
18 out in the field that Americans do want cleaner
19 cars, they want cleaner gasoline and they want
20 cleaner SUVs.

21 And again, I urge the EPA to follow through
22 with the proposal with the changes that many
23 people here suggested.

24 Thank you.

25 MS. OGE: Thank you.

1 Mr. Anthony DeLucia, good morning.

2 MR. DeLUCIA: Hello. I am Anthony DeLucia.

3 I am a representative of the American Lung
4 Association. I'm a newly appointed volunteer
5 chair of the National Air Conservation
6 Commission.

7 I also have a life-long interest in air
8 pollution, growing up in the fifties and sixties
9 in southern California, and also did my degree
10 work on the effects of air pollutants on human
11 health. So I have quite a bit invested in this.

12 I do want to say, first off, that what
13 we're talking about today is extremely
14 important, what EPA is proposing. And I
15 personally think we can all sleep better at
16 night knowing that these steps are in the works.
17 However, we do have concerns, the Lung
18 Association and other groups that you're seeing,
19 that this is much of a coalition type of
20 approach, bringing some of these issues to your
21 attention.

22 Again, let's look at the positive. Since
23 the new regs for the ozone standard, on the
24 eight-hour versus one-hour and also for the fine
25 particulates, we're seeing maybe a change in the

1 way things are being approached. We're now
2 talking about taking things out to the first
3 decade of the New Millennium, with some very
4 important results that we hope we can achieve.
5 The results are targeted to reduce the health
6 impact, which we see and we know is out there,
7 which we expect every summer, like the one we're
8 about to head into here in Atlanta, to cause us
9 to be concerned about. We know that a hundred
10 and seventeen million individuals live in areas
11 where the air quality is poor. So the bottom
12 line is, what we can we do about it. And if the
13 Tier 2 standard and the low sulfur fuel are
14 fully implemented, without a lot of rigmarole,
15 we'll see thousands of lives saved per year,
16 approximately four thousand. We'll see hundreds
17 of thousands of respiratory symptoms being
18 alleviated; and, of course, if we look at where
19 a lot of those symptoms occur and as was
20 mentioned earlier, the high incidence of asthma
21 in this country, we know our sensitive group is
22 the young. Also we add to that the old and we
23 add to that other groups such as those having
24 existing respiratory illnesses and in the case
25 of particles, cardiopulmonary sensitivities.

1 So when it comes down to how the Lung
2 Association views the potential, we say it's
3 there. However, we are concerned about all the
4 potential for delays or maneuvering. We agree
5 that the largest vehicles do not need to be
6 exempted in any way, nor do vehicles which are
7 going to be powered by diesel need to be
8 exempted in any way regarding the standards
9 which are proposed. This will just only lead to
10 more bins than we need and bins which are
11 difficult to comprehend. We have come concerns
12 with some of the intermediate bins which talked
13 about different goals for hydrocarbon emissions.

14 We are also very concerned about the sulfur
15 issue. I think it's as complicated as the
16 emissions points clearly because they're so tied
17 together. But what we've come up with is the
18 statement that thirty parts per million of
19 sulfur in fuel will keep the catalytic
20 converters running for the hundred thousand or
21 the hundred and twenty thousand mile lifetime of
22 the vehicles that we're talking about. That is
23 a great idea, but it's been weakened by the idea
24 that additional caps can be in existence, such
25 that we might have some gas which goes up to

1 several hundred part per million; or we're
2 phasing this in slower because it's needed to
3 give the refineries time to do more and to work
4 together in this network of getting things done.

5 We really say hogwash regarding some of
6 these caps and that let's just work directly for
7 the thirty parts per million. Let's try and do
8 it as expeditiously as possible, timing it with
9 the 2004 delivery of these first vehicles,
10 actually to fall 2003. We've got some examples,
11 they're not in the southeast of where things can
12 go awry if high caps on the sulfur containing
13 fuels are allowed to be in existence. You could
14 have potentially the technology being foiled in
15 major metropolitan areas and we need to be
16 concerned about it.

17 I think this is a nationwide issue. And
18 this is what the Lung Association clearly
19 proposes, that we view this as a nationwide
20 policy and a nationwide stance and continue to
21 cooperate with the parties that are involved at
22 all levels of the implementation, but really
23 take the hardest approach possible.

24 I think that there have been some claims
25 that we need to look at, even lower sulfur

1 levels in the fuel, because these are needed
2 somehow to make the technology work. We have
3 every instance that, even the largest of the
4 vehicles, with the preexisting technology, can
5 provide emission which are below the proposed
6 standards. So do we need a close to zero level
7 fuel, which might cost more? I don't think so.
8 I notice Mr. Pregulman indicated, we've got the
9 evidence that the cost for lower sulfur fuel
10 will only be a couple of cents per gallon,
11 perhaps at max.

12 The technology review that is proposed I
13 think would not be the worst effort. What we
14 have proposed has worked, let's get on with it.
15 If we go forward and do not relax our standards,
16 we'll be making the greatest headway.

17 Lastly, from the Lung Association's
18 standpoint, we have polled numbers which show
19 the American public supports what we're trying
20 to do, that eighty-three percent of Americans
21 are in favor of low sulfur fuels and will pay
22 the extra two cents per gallon. Sport utility
23 vehicles and minivan owners will do the same
24 thing. So I think it shows how we could be on
25 track if we're properly held accountable.

1 Thank you.

2 MS. OGE: Thank you.

3 Any questions for the panel?

4 (No response).

5 MS. OGE: Well, Mr. Teper, I'm very
6 familiar with all the Georgia issues that you
7 raised and happen to also oversee some of the
8 programs that inspection and maintenance,
9 conformity, and so I am very sympathetic to all
10 the challenges that you're facing as a state
11 representative in this wonderful State of
12 Georgia.

13 But I'd like to thank all of you for taking
14 the time to come and share your views with us,
15 especially I want to thank our volunteers, the
16 individuals that are taking time from their own
17 jobs and life to come and share your views with
18 us. Your comments are very important to us and
19 we'll take them into consideration. We're
20 moving forward, traveling around the country,
21 and then going back to Washington to think of
22 everything that we have heard.

23 Thank you so much.

24 MR. PREGULMAN: I have one quick thing. I
25 think it's great that we are on schedule, but I

1 do know that there are several people that are
2 assuming that at four o'clock, they'll have some
3 time.

4 MS. OGE: We will be here.

5 MR. PREGULMAN: Great.

6 MS. OGE: We will be here.

7 MR. PREGULMAN: I don't want you to miss
8 your planes.

9 (Whereupon, a break ensued from
10 approximately 12:30 p.m. until 1:25
11 p.m.; and the panel came before the
12 Board.)

13 MS. OGE: Mr. Welsh, we'll start with you.
14 Good afternoon.

15 MR. WELSH: Good afternoon.

16 MS. OGE: I would like to ask you to please
17 keep your statement ten minutes or less; and
18 after you give your remarks, please stay. We
19 may have some questions for you.

20 Please go ahead.

21 MR. WELSH: Good afternoon. My name is
22 John Welsh. I'm an applications chemist with
23 Antech Industrial Instruments, located in the
24 beautiful Highland Lakes area of Texas and we
25 are manufacturers of on-line process

1 instrumentation for the determination of sulfur
2 in fuels.

3 This presentation is not necessary
4 concerned with when or what levels of sulfur are
5 eventually mandated as the U.S. moves towards
6 cleaner motor fuels. It does put forward the
7 notion that no matter what sulfur levels are
8 targeted, U.S. EPA should designate as its
9 primary method the most economical and capable
10 AST test methods.

11 In their proposed Tier 2 regulations, U.S.
12 EPA has stated that D 2622 WDXRF should be
13 designated as the primary test method for
14 sulfur. For the determination of sulfur in
15 fuels of the future -- And particularly at the
16 levels proposed by the EPA, D 5453 UBF has
17 proven to be a superior method to D 2622. This
18 presentation will provide evidence that
19 demonstrates why D 5453 should be designated as
20 the primary test method for sulfur in fuels.

21 Based on testimony so far during these
22 hearings, there can be little doubt that the
23 U.S. marketplace will have lower sulfur fuels
24 and in its not too-distance future.
25 Irregardless of how the proposed sulfur levels

1 and effective dates are established, the
2 petroleum community will need its more accurate
3 and flexible tools. If a gasoline sulfur
4 program that is similar to the currently
5 proposed EPA Tier 2 regulation is enacted, the
6 oil industry will soon be routinely analyzing
7 motor fuels for very low sulfur levels.
8 Obviously both regulators and industry must
9 consider the impact of producing low sulfur
10 fuels.

11 In September 1992, the California Air
12 Resources Board, CARB, adopted regulations
13 requiring reformulation of California gasoline.
14 The CARB regulations established a comprehensive
15 set of gasoline specifications designed to
16 achieve reductions in emissions of VOCs, NOx,
17 carbon monoxide, sulfur dioxide and toxic air
18 pollutants from gasoline-fueled vehicles. The
19 CARB regulations set standards for eight
20 gasoline parameters, sulfur, benzene, olefins,
21 and others. During blending operations, the
22 specifications for benzene, olefins, Reid vapor
23 pressure, et cetera, are sometimes met well
24 before the sulfur level reaches thirty ppm.
25 Therefore, many current producers of gasoline

1 for California consumption routinely must
2 measure must measure gasoline with sulfur
3 concentration less than fifteen parts per
4 million.

5 U.S. EPA is correct to seek comment as to
6 if ASTM D 5435 should be designated as the
7 primary sulfur test method. Currently D 2622
8 has been designated as the only EPA-approved
9 sulfur test method. However, the EPA has
10 recognized that in certain situations, D 2622
11 had limitations. As an example, where thirty
12 ppm average eight ppm cap, low sulfur fuels most
13 be produced, the EPA agreed to recognize test
14 methods allowed by the California EPA.

15 The thirty ppm average eighty ppm cap
16 sulfur specifications prompted a group of
17 refiners, Western States Petroleum Association,
18 or WSPA, to petition the California Air
19 Resources Board for more flexible and economical
20 sulfur test methods.

21 What WSPA and CARB needed was an economical
22 test method that can measure very low levels of
23 sulfur and give them the equivalent results as D
24 2622, when used for the analysis of higher
25 sulfur fuel levels. Various laboratory studies

1 and cooperative multi-laboratory testing
2 revealed that D 5453 was such a sulfur test
3 method.

4 D 2622's questionable performance at low
5 sulfur levels can be traced to several factors.
6 Although probably a minor contributor, because
7 of the cleanliness of modern fuels, metal
8 contamination must be considered. The presence
9 of alcohol, which is commonly found in modern
10 alternate fuel mixtures, can also interfere with
11 D 2622 analysis.

12 Additionally, as Section 5.1 of the D 2622
13 test method states, "when the elemental
14 composition, excluding sulfur, of samples differ
15 significantly from the standards, errors in the
16 sulfur determination can result. For example,
17 differences in the carbon-hydrogen ration of
18 sample and calibration standards introduce
19 errors in the determination."

20 Section 1.5 of the D 2622 test method scope
21 reinforces the problems that can occur with the
22 samples with a changing matrix. Analytical
23 errors caused by these matrix effects could
24 become critical as sulfur concentrations
25 decline. It is this issue that most limits D

1 2622's usefulness in the dynamic blending future
2 of Tier 2 gasoline.

3 This excerpt from the scope section of the
4 most recent revision of the D 2622 '98 test
5 method confirms that the test, if so spent, for
6 sulfur levels than twenty parts per million.

7 The D 2622 scope also includes an
8 estimation of the test methods pooled level of
9 quantification. This calculation, based upon a
10 special subset of the lowest samples analyzed
11 during the 2622 verification, otherwise known as
12 a Round Robin, finds a PLOQ for D 2622 of only
13 fifteen parts per million.

14 No interference for products covered in
15 this Tier 2 proposal, because halogen
16 contamination is stringently controlled in
17 modern motor fuels.

18 D 5453 has proven itself to be an excellent
19 test method for the determination of sulfur in
20 all sorts of motor fuels. This is possible
21 because D 5453 uses a sample combustion
22 technology and is very selective and free from
23 the carbon hydrogen ratio in metal contamination
24 interferences that effects the proposed primary
25 sulfur regulatory method D 2622. Instrument

1 calibration is straightforward and not biased by
2 the matrix of the calibration material.

3 D 5453 has a proven history of performance
4 in the measurement of sulfur at very low levels.
5 The test method initial publication in 1993
6 indicated the ability to measure down to one
7 part per million. A pooled level of
8 Quantification for a recently completed -- that
9 is, in 1998 -- ASTM Round Robin was less than
10 one part per million.

11 The California experience has shown and
12 brought out a number of important points, all
13 major refiners utilize D 5453 technology in lab
14 or on line, and in some instances both. Almost
15 all small refiners' labs utilize D 5453 or some
16 routine analysis.

17 The incorporation of 5453 as the primary
18 test method would also offer additional
19 flexibility. I would first like to note for the
20 record that neither ASTM D 5435 nor ASTM D 2622
21 specifically address the applications of these
22 methodologies for on-line determination of
23 sulfur in fuels. However, the same technology
24 that is described in ASTM D 5453, with the
25 exception of the sample introduction system, is

1 found in process instrumentation. As of this
2 date, I am not aware of the use of D 2622WDXRM
3 technology for the on-line determination of
4 sulfur in fuels.

5 The use of D 5453 or UVF provides analysts
6 in the refiners to increase application
7 flexibility. The development of an on-line
8 certification program begins with the
9 establishment of a direct correlation between
10 on-line and laboratory results. The ability to
11 use D 5453 in the laboratory and UVF on-line,
12 for the determination of sulfur, eases the
13 simplifies the establishment of this correlation
14 of results. The issue of test method bias is
15 eliminated.

16 As previously show, D 5453 is very
17 selective and free from the carbon hydrogen
18 ratio, or what is referred to as the matrix
19 effect interference. This allows for accurate
20 sulfur determination in multiple streams with
21 widely varying component matrices.

22 In conclusion, we would like to state that
23 D 5453 provides superior sulfur test method
24 results at lower sulfur level and equivalent
25 measurements at higher sulfur concentrations.

1 Allowing the use of D 5453 could enable
2 significant capital savings for the
3 fuel-producing community, while giving them a
4 better measurement tool as sulfur concentrations
5 continue to drop.

6 The D 5453 test method has already been
7 approved by other regulating agencies and has
8 proven its worth time and time again in daily
9 low sulfur fuel production, as well as in
10 general use on a worldwide basis.

11 When the California regulations for sulfur
12 in fuels were adopted and methods for the
13 determination of sulfur were designated, ASTM D
14 2622 was the logical choice. Since that time,
15 as the California experience has shown, ASTM D
16 5453 is now the logical choice. The designation
17 of ASTM D 5453, as the primary test method, will
18 serve the fuel producing and analytical
19 communities now and for the years to come as
20 sulfur levels in fuels continue to decrease.
21 EPA now has the opportunity to provide these
22 communities with the most viable test method for
23 low sulfur determination in fuels.

24 D 5435 should be designated as the primary
25 sulfur test method. D 2622 and other --

1 possibly other ASTM test methodologies should be
2 designated as the alternate test methods.

3 And I thank you for your time and would
4 like to address some questions.

5 MS. OGE: Thank you.

6 Ms. Stegnik, is that right, good afternoon.

7 MS. STEGNIK: Thank you.

8 Good afternoon. My name is Lisa Stegnik,
9 and I'm here today on behalf of the Engine
10 Manufacturers Association.

11 Among the EMA's numbers are manufacturers
12 of pickup trucks, sport utility vehicles, other
13 light-duty trucks, and passenger cars and the
14 diesel engines that are being designed to power
15 them.

16 EPA has proposed a sweeping revision to its
17 light-duty vehicle regulatory program. EPA's
18 proposal would treat large vehicles designed for
19 hauling, towing, and other work capacity, the
20 same as small vehicles. And EPA's proposal will
21 have the net effect of, one, foreclosing the
22 most effective and most realistically available
23 opportunity to meaningfully reduce carbon
24 dioxide emissions and approved fuel economy;
25 two, eliminating fuel efficient technologies;

1 three, narrowing consumer choice, in vehicle
2 size, type, power and performance; and, four,
3 preventing the use of clean diesel fuel engine
4 technologies.

5 Moderate changes in the proposed vehicle
6 requirements and an increased focus on and a
7 more aggressive approach to reducing the sulfur
8 content of both gasoline and diesel fuel would
9 make EPA's proposal realistic for larger work
10 capable vehicles and for diesel engine
11 technology, without any adverse emission
12 impacts.

13 EPA should adopt the rules that do not
14 preclude diesel engine technology as a means to
15 address fuel economy needs, growing concerns
16 about CO2 emissions and, yes, even air quality
17 needs.

18 The single most promising cost effective
19 and available technology to reduce CO2 and
20 improve fuel economy is the diesel engine. This
21 has been confirmed by work coming out of the
22 Partnership for a New Generation Vehicle Program
23 and has been recognized by the Department of
24 Energy and the Administration.

25 According to EPA data, a diesel engine

1 exhibits a sixty percent improvement in fuel
2 economy while achieving a thirty percent
3 reduction in CO₂ emissions. Diesel engines also
4 are inherently low emitters of HC and CO and
5 they are extremely durable which means savings
6 to consumers and little or no degradation from
7 initial air quality emission performance levels.

8 Diesel engines also can perform more work
9 more efficiently than other types of engines.
10 Despite the widespread use of SUVs and pickup
11 trucks to carry passengers, engine manufacturers
12 must design diesel engines for those vehicles
13 with a capacity to haul a load or pull a boat or
14 trailer when such work is required. Those
15 engines of those unique design aspect have
16 different emission characteristics and require
17 different emission standards.

18 Diesel engine manufacturers already have
19 made dramatic improvements in the performance of
20 diesel engines. Engines that are being tested
21 today and that are top of commercialization will
22 be quiet, free from excessive vibration and free
23 from visible exhaust emissions; and they will do
24 so while retaining their fuel economy and
25 durability advantages.

1 The adoption of Tier 2 standards that allow
2 a role for vehicles with diesel fuel engines in
3 the light-duty market, has significant potential
4 to stimulate, support and speed major research
5 and development and clean diesel technology; and
6 such new technology can be transferred to other
7 applications to provide even more extensive
8 benefits.

9 Without a Tier 2 program that is realistic
10 for diesel fueled engines, those potential
11 future technologies and benefits may be lost or
12 substantially delayed, all to the detriment of
13 the environment and the air quality.

14 EMA recognizes that with the many benefits
15 of diesel fueled engine technology, common
16 concerns about the health effects of emissions
17 from diesel fueled engines, engine manufacturers
18 have taken great stride in reducing emissions
19 from diesel fueled engines. Since 1970, for
20 example, engine manufacturers have reduced
21 hydrocarbon and particulate emissions from
22 on-hire trucks by ninety percent and from buses
23 by ninety-five percent; and in the near term,
24 they will have reduced NOx emissions by
25 approximately eighty-five percent.

1 Engine manufacturers also have supported
2 stated in-use inspection maintenance programs,
3 aimed at assuring that the benefits of emission
4 control technologies designed into the engine
5 are not lost as a result of poor maintenance or
6 illegal tampering.

7 Engine manufacturers also have been in the
8 forefront of efforts to improve the quality of
9 diesel fuel and we are strong components of the
10 further desulfurization of on-highway and
11 non-road diesel fuels.

12 The frequently cited studies on diesel
13 health concerns are not based on data
14 representative of today's diesel engines or
15 fuels, nor obviously are they based on the
16 capabilities and performance of future diesel
17 engines and fuels, both of which can and must
18 continue to be improved.

19 EMA, along with others, have contributed to
20 an epidemiology feasibility study of diesel
21 exposure conducted by Health Effects Institute
22 and just published on June 4th. HEI has
23 concluded that the leading studies are simply
24 not adequate to support any quantitative
25 exposure response analyses. EMA continues to

1 support further research to evaluate the
2 potential health impact of diesel fuels'
3 exhaust.

4 The quality of diesel fuel is critical to a
5 manufacturer's ability to comply with stringent
6 NOx and PM standards such as the ones proposed.
7 EPA must require that diesel fuel, with a sulfur
8 content less than five ppm, and with
9 improvements to other key joints, be available
10 for light-duty vehicles in order to support the
11 critical linkage among engine technology,
12 feasible standards and fuel.

13 Improving diesel fuel quality is integrally
14 linked to the ability to meet very stringent
15 standards such as the ones proposed. Ultra-low
16 sulfur fuel is a technology enabler. It is
17 necessary to allow for the development and use
18 of advanced NOx aftertreatment devices.
19 Ultra-low sulfur diesel fuel also is required to
20 maintain engine durability without its severe
21 enginewear and poisoning of the engine system
22 can occur. For light-duty vehicle, a duty fuel
23 with an ultra-low sulfur level at five ppm or
24 less is essential. It would provide direct PM
25 emission reductions. It would enable

1 substantial NOx emission reductions and it would
2 provide fleetwide benefits for both new and
3 existing vehicles with diesel fuel engines.

4 Improved diesel fuel also has a role in
5 responding to potential health effect concerns.
6 Ultra-low sulfur fuel lowers the total amount of
7 particulate from the entire fleet and enables
8 the use of known active treatment technologies
9 such as oxidation catalyst, which can reduce the
10 organic fraction of PM emissions and can enable
11 technologies to reduce NOx which, in turn, will
12 reduce secondary PM.

13 The proposed Tier 2 rule puts the
14 commercial viability in diesel fuel engine
15 technology at risk, resulting in the potential
16 loss of the many benefits of diesel fuel engine
17 technology can provide. With moderate and
18 appropriate modifications to EPA's proposal,
19 however, EPA can assure that it does not miss
20 the opportunity to have low NOx emitting, high
21 performing, low CO2 producing, diesel fueled
22 engines available on the market.

23 Today -- And we urge EPA to incorporate an
24 independent midterm review of the proposed
25 standards in the final rule. Diesel fuel engine

1 technology can remain a viable option without an
2 adverse emission impacts. And with ultra-low
3 sulfur fuel, widespread NOx and PM emission
4 reductions can be achieved.

5 EMA will provide more detailed comments and
6 recommendations on EPA's proposal in our written
7 comments to the agency.

8 Thank you.

9 MS. OGE: Thank you.

10 Mr. Bob Jorgerson, good afternoon.

11 MR. JORGERSON: Good afternoon.

12 I notice that Mr. Wysor is not here --

13 MS. OGE: Could you please --

14 MS. STEGNIK: I'm going to help with the
15 slides.

16 MS. OGE: We want all of you to stay so we
17 can ask some questions.

18 MR. JORGERSON: I was just starting to say
19 that I notice that Mr. Wysor's not here, our
20 timekeeper, so I've got longer in time.

21 MS. OGE: So we have Ms. Dawn Martin here.
22 You cannot escape.

23 MS. MARTIN: But if you want to time
24 yourself, too, that's perfectly fine.

25 MS. OGE: Please go ahead.

1 MR. JORGERSON: My name is Bob Jorgerson.
2 I'm the director of Environmental Management for
3 Cummins Engine Company. Cummins produces diesel
4 and natural gas fueled engines for automotive,
5 construction, agricultural, power-generation
6 applications around the world. We are the
7 largest producer of heavy-duty engines, about
8 two hundred horsepower, in the world.

9 We have recently developed a new concept
10 engine for application and light-duty vehicles,
11 the subject of the proposed regulations under
12 consideration. A portion of the funding for
13 this development is coming from the U.S.
14 Department of Energy. The objective of this
15 effort, as laid out several years ago, in the
16 initiation of the program, are shown on this
17 figure (indicating).

18 The top bullet shows the first major goal
19 of this effort, to improve fuel economy from
20 current gasoline engines by at least fifty
21 percent. The second one, of course, is
22 compliance with the standards. At the time the
23 proposal went out, the Department of Energy did
24 not know what the Tier 2 levels would be. And
25 so as a target, they set the standards that you

1 see here. These, again, were put forth with the
2 reflection that they are to be reviewed upon
3 publication of the Tier 2 standards, which is
4 obviously what we're talking about here. The
5 total of funding for all the companies for which
6 DOE funding has been made available is shown on
7 the bottom line. It's about -- just a little
8 bit over forty million dollars over about a
9 five-year period.

10 These emission goals were set looking at
11 the current levels for light-duty truck three
12 and light-duty truck four. And as you can see,
13 they represent a significant reduction,
14 standards that were and still are felt to be
15 challenging for these fuel efficient
16 technologies.

17 As proposed, the Tier 2 requirements would
18 preclude engines which meet these objectives
19 from entering the marketplace in 2004 and
20 beyond. It would foreclose the most cost
21 effective and most readily available opportunity
22 to improve fuel economy and meaningfully reduce
23 carbon dioxide emissions. The Department of
24 Energy initiated this program to reduce the fuel
25 consumption of the growing light-duty vehicle

1 segment known as light-duty trucks. Light-duty
2 truck sales represent an increasing percentage
3 of an ever-increasing light-duty vehicle
4 category approaching fifty percent this year.

5 Transportation energy use represents about
6 one-third of the total energy consumption in the
7 United States. These figures are from the
8 Energy Institute. Of the energy consumed by the
9 transportation sector, approximately fifty
10 percent is consumed by light-duty vehicles,
11 passenger cars and light-duty trucks, as shown
12 on this slide. So we're talking about a sector
13 that consumes about one-sixth of the energy in
14 our country.

15 Direct injection and compression ignition
16 diesel engines have the potential to
17 significantly reduce light-duty vehicle energy
18 consumption. As shown on this slide, our
19 concept engine, as tested, has shown to have a
20 fuel economy of seventy-one percent better than
21 the gasoline engine counterpart. And these are
22 the cap A or the fuel economy things that you
23 usually see on the sticker on your car.

24 For a vehicle that drives fifteen thousand
25 miles annually, the fuel savings would amount to

1 four hundred and forty-six gallons per year.
2 There were over seven million four hundred
3 thousand light-duty trucks sold in the United
4 States last year. Had only fifty percent of
5 these been diesel powered rather than gasoline,
6 the fuel savings in the United States, in 1999,
7 this year, would have been over 1.5 billion
8 gallons.

9 There is a lot of debate about global
10 warming. But it seems more and more researchers
11 are becoming convinced that it's a real issue.
12 The magnitude of carbon dioxide emission
13 reductions, in addition to the numerous meetings
14 taking place around the world, would require
15 major changes. To reduce the amount of carbon
16 dioxide emitted by light-duty trucks in the
17 United States in the year 2010, back to the
18 level emitted in 1990, would require a per
19 vehicle decrease of between thirty-five and
20 forty percent, depending on the growth
21 assumptions that you used. As showing on this
22 figure, our diesel engine achieves a
23 thirty-seven percent reduction from the carbon
24 dioxide emission levels of its gasoline engine
25 counterpart.

1 Earlier I showed you the Department of
2 Energy program goals, including the emission
3 targets. The proposed Tier 2 standard are much
4 more stringent, as shown on this figure.
5 They're the numbers in the lower right-hand
6 corner. Tier 2 has seven bins. Bin zero is a
7 zero-emitting vehicle. And bin seven is the
8 least stringent of the bins, but you can see
9 where that bears versus the DOE targets that
10 were set about three or four years ago.

11 Improvement in engine out emissions from
12 today's best light-duty diesel engines, which
13 employ cool exhaust gas recirculation, turbo
14 chargers and air-to-air aftercooler, can and
15 will be made. Cummins believes that with
16 increased amounts of EGR, use of fuel systems
17 capable of higher injection pressure and
18 cylinder heads with four valves per cylinder to
19 give us better breathing, that engine-out oxide
20 and nitrogen and particulate matter emissions
21 can be cut in half.

22 Reductions beyond these levels would
23 require exhaust aftertreatment. Lean NOx
24 aftertreatment is still in the development
25 stage. However, Cummins believes that such

1 systems capable of fifty percent oxide and
2 nitrogen reductions will be commercially viable
3 in the time frame for Tier 2 standards for heavy
4 light-duty vehicles are proposed to begin to
5 phase-in. Particulate aftertreatment systems,
6 such as catalyzed soot filters will also be
7 required. Regeneration of these soot filters,
8 the process of removing the particulates from
9 them, is still the biggest hurdle, especially
10 during the sustained light-load operation and
11 during cold ambient conditions.

12 Cummins is hopeful that filters of eight
13 percent or greater trapping efficiency will be
14 able to regenerate continuously under all
15 operating conditions. The sulfur content of
16 diesel fuel must be reduced significantly in
17 order to enable the use of these aftertreatment
18 systems.

19 The anticipated reductions from current
20 best technology to improvement in engine design,
21 through the use of aftertreatment systems as
22 just described, still falls short of reductions
23 necessary to comply with bin seven standards,
24 the least stringent of the Tier 2 bins. Cummins
25 believes that the fuel economy and carbon

1 dioxide emission benefits, compression ignition
2 diesel cycled engines bring, warrant their
3 inclusion in the light-duty vehicle market.
4 Given the long time horizon and the major
5 advances required to develop a conforming
6 commercially viable diesel product, Cummins
7 recommends that a midterm technology review be
8 included to assess the progress of these highly
9 fuel efficient engines towards Tier 2
10 compliance. Cummins is pleased to see the
11 agency's advanced notice of proposed rulemaking
12 requesting comment on the need for changes in
13 diesel fuel.

14 Cummins will provide separate comments to
15 this Advanced Notice. But in as much as fuel
16 changes have a large impact on the feasibility
17 of the standards proposed in this rulemaking, it
18 is important to state here that both highly
19 efficient oxide and nitrogen and particulate
20 aftertreatment systems will require the use of
21 ultra-low low sulfur fuel -- fuel with less than
22 five parts per million maximum sulfur.

23 In addition, Cummins believes, that the
24 additional flexibility that would be provided by
25 an averaging program, allows the setting of

1 emission limits as needed. The large gaps
2 between the five interim bins and the seven Tier
3 2 bins discourage emission reductions that are
4 significant, but that fall short of the next
5 lower bin. Manufacturers would still have to
6 comply with that same stringent oxide and
7 nitrogen complete average. So such an averaging
8 system, while providing greater flexibility and
9 reducing the cost of compliance, would not
10 negatively impact the environmental improvements
11 sought by the proposal.

12 In conclusion, Cummins recommends, one,
13 that the proposed bin structure be replaced an
14 averaging program; two, that a midterm
15 technology review be included to assess the
16 progress by these highly fuel efficient engines
17 for Tier 2 compliance; and three, that the
18 maximum sulfur content of the fuel stream for
19 light-duty vehicles be capped at five parts per
20 million.

21 MS. OGE: Thank you.

22 Mr. Allan Jones, good afternoon.

23 MR. JONES: Thank you, and I apologize for
24 being late. I was waiting for my salad
25 downstairs.

1 MS. OGE: Please go ahead.

2 MR. JONES: Thank you. My name is Allan
3 Jones, I'm executive director of the Tennessee
4 Environmental Council. The Tennessee
5 Environmental Council is a statewide, non-profit
6 environmental education and advocacy
7 organization, and we're located in Nashville,
8 Tennessee.

9 And I'd like to, on behalf of TEC, thank
10 EPA for the opportunity to comment on these
11 very, very important proposed rules. I guess
12 the primary message that I would like to pass on
13 today is that we strongly support EPA's proposal
14 and particularly to commend EPA for looking at
15 vehicle emission standards and fuel standards as
16 integrated hope. It's obviously very important,
17 as the testimony indicates here today.

18 The rules require most vehicles to meet the
19 same standards to eliminate the differences in
20 emission requirements for cars, SUVs, light
21 trucks; again, to tighten emissions for diesel
22 cars, diesel light trucks and reductions in lab
23 emissions for all these vehicles; also requiring
24 lower sulfur gas nationwide. We believe this is
25 an essential step to address some of the

1 nation's continuing serious air quality problem.
2 And that certainly includes the State of
3 Tennessee.

4 At least nineteen counties in Tennessee,
5 over half the state's population, because those
6 counties are primarily urban areas -- At least
7 nineteen counties in Tennessee will violate the
8 eight-hour ozone standard and/or the PM two and
9 a half standard. Cars and trucks, of course,
10 and SUVs -- I guess from now on, when I'm saying
11 "cars," I mean all of those vehicles, regardless
12 of the labels that have been used to basically
13 justify less stringent emission limits for some
14 of these vehicle categories. Cars and trucks
15 contribute a great deal of these problems and
16 their contribution based on growth, not only in
17 the number of vehicles, but also the number of
18 vehicle miles traveled will increase. So that
19 slice of the pie in most parts of the country
20 probably will increase.

21 Tennessee's population, according to the
22 U.S. Census Bureau, was expected to increase by
23 1.3 million by the year 2015. We're expecting
24 something like twenty-six percent growth in the
25 State's population. And, of course, all those

1 new residents are going to have vehicles and
2 they're going to continue to contribute to the
3 State's air pollution problems. Coupled with
4 the continuing increases in the number of miles
5 that each of us travels, the number of miles
6 that we drive those vehicles, we will have huge
7 problems meeting the new ambient standards for
8 both PM two and a half and ozone, without these
9 new very important Tier 2 requirements and the
10 lower sulfur fuel requirements.

11 The benefits that the public will realize,
12 the benefits the public will enjoy, are huge.
13 Just to go over them very briefly, obviously
14 reductions in ozone, reductions in PM two and
15 half concentration, very small particles. Other
16 benefits, reduced exposure to toxic substances.
17 Vehicle exhaust, as all of you know, of course,
18 is a very complex mixture of up to hundreds of
19 individual compounds, many of which threaten
20 human health. EPA's cumulative exposure project
21 recently suggested that there are concentrations
22 of carcinogenic in the ambient air for many of
23 the nation's cities that exposed large --
24 millions of people, large numbers of people, to
25 individual risks of one and ten thousand or

1 more. And some of those concentrations, almost
2 background concentrations, are caused not so
3 much by industrial sources, but by area sources
4 such as gas stations and dry cleaners and, of
5 course, automobiles and trucks.

6 The Agency for Toxic Substances and Disease
7 Registry found that breathing diesel fuel vapors
8 for long periods may cause kidney damage and
9 lower your blood's ability to clot, diesel
10 exhaust, when classified as a human
11 carcinogenic, by the State of California.

12 Other benefits to -- particularly to the
13 State of Tennessee, but I would argue also the
14 nation, is reduced air pollution in the Great
15 Smokey Mountains. As one of the speakers said
16 earlier today, we have the highest rates of acid
17 deposition in North America in the Great Smokey
18 Mountains. And vehicles contribute significant
19 amounts to that acid deposition. NOx reductions
20 will help that problem, also probably help in at
21 least some way with visibility. The average
22 visibility in the Great Smokey Mountains now in
23 the summertime is about twenty-two miles, and
24 the absence of human-caused pollution.
25 Visibility in the Smokey's should be ninety-five

1 miles. Ozone also is a problem in the Great
2 Smokey Mountains, which is ironic because I
3 think most of us visiting there do so wishing to
4 escape some of the problems of urban life. And
5 yet we find ozone concentrations in the Smokey
6 ridge tops exceeding the new standard. We've
7 already violated the new eight-hour standard
8 three times in the Smokey's this summer.

9 Although the proposal is strong, I think
10 there are ways, as it's been said earlier, to
11 strengthen the proposal, to do a better job of
12 protecting public health and part of that --
13 protecting public health and environmental
14 resources is important, of course, it's
15 critical.

16 But even if you want to be hard nosed about
17 this and look at this in terms of economics,
18 there's a huge value in reducing this pollution
19 in terms of economic benefits. Tourism in
20 Tennessee is our number one industry. The Great
21 Smokey Mountains, that part is an economic
22 engine for the State of Tennessee, generating
23 huge benefits, not only quality of life
24 benefits, but hard numbers, economic benefits,
25 jobs for the citizens in our State.

1 Several ways to improve the proposal, and
2 I'll go through these quickly, they've been said
3 before, put SUVs on the same schedule as cars
4 for the next-to-the-largest category; 2007
5 deadline, not the 2009 deadline -- And most of
6 these suggestions, I think will also have the
7 effect of simplifying and streamlining the
8 proposal, making it easier, less complex, easier
9 for the agency to implement it -- large SUVs,
10 such as the Ford Excursion or the Ford Valdez,
11 if you will, not required to meet the standards
12 at all, they should. There's no good reason for
13 them not to. Require diesel vehicles to meet
14 the same standards as other vehicles. As my
15 colleagues on the panel have indicated, there
16 are benefits to diesel engines. I guess the
17 only problem I have with that is, let's not
18 accept higher emission rates from diesel engines
19 in order to achieve those other benefits that
20 the other speakers mentioned. Loopholes for
21 large SUVs and diesels, in some cases, may
22 provide a perverse incentive for manufacturers
23 and perhaps even consumers to manufacture and/or
24 purchase and use these vehicles. It's almost a
25 perverse kind of incentive, the wrong kind of

1 incentive. What we want is less pollution of
2 these vehicles; and the loopholes that EPA has
3 set up in the proposal, I think may contribute
4 to that. The thirty parts per million of sulfur
5 by 2004, no extra time for smaller refineries;
6 reduce sulfur in diesel fuel as well, and do it
7 by 2004 is a good interim step. I do think it's
8 important to pursue -- to have the agency think
9 about, okay, what's the next step after thirty
10 parts per million as a long-term goal to get
11 sulfur in gasoline and diesel fuel down to five
12 or maybe even zero, if that's technologically
13 feasible. The 2004 technology review, I don't
14 see the need for that. There's always the -- if
15 there's new information available to EPA, EPA
16 can always decide to open up a new rulemaking.
17 But to attach it to this ruling seems like it's
18 primarily an opportunity for mischief and to
19 delay this decision when 2004 comes around.

20 I feel like I have to say this, and most
21 people would agree, that the best predictor of
22 future performance is current behavior or past
23 behavior. And given that, I would encourage the
24 agency to consider previous historical industry
25 claims of economic catastrophe, technological

1 impossibility and need for more time to meet the
2 deadline. That's like a historic marker from
3 the industry regarding improvements in
4 technology and reductions in emissions. The
5 second thing, again, historical lesson. When
6 faced with these requirements, they met them.
7 Again, the best predictor of future performance
8 is past behavior.

9 Finally, the nation can achieve all these
10 benefits at a reasonable cost and with strong
11 public support. EPA's published a very good
12 proposal; and with a few improvements, could
13 have a truly excellent final set of rules.

14 Thank you very much.

15 MS. OGE: Thank you.

16 Ms. Lisa Stegnik, in your opening remarks,
17 I believe you stated that the Health Effects
18 Institute recently announced a study that they
19 had completed that relates to health effects of
20 diesel exhaust. And you stated that according
21 to HEI leading studies don't allow for
22 quantitative assessment. Could you please
23 elaborate on that statement. What are the
24 leading studies that HEI was referring to?

25 MS. STEGNIK: Which studies they were

1 referring to?

2 MS. OGE: Yes.

3 MS. STEGNIK: I believe they were referring
4 to the Garshick Study of Railroad Workers and
5 the Steenland Study of Truck Drivers.

6 MS. OGE: My understanding, and I think we
7 need to go back and both of us take a look at
8 those studies, is that clearly HEI stated that
9 the railroad study cannot be used for the
10 purpose of a quantitative assessment. But I
11 believe that they didn't make the same
12 statement, finding, for the teamsters studies.
13 They were optimistic that the studies could be
14 looked at very carefully, and they didn't call
15 it the same way they called on the railroad
16 studies. I would suggest that you go back and
17 take a look at the studies, and you may want to
18 correct the record.

19 MS. STEGNIK: In our written comments?

20 MS. OGE: Please.

21 Thank you.

22 Mr. Jorgerson, Welcome. I guess this is
23 more of an observation in helping me out, if I
24 am correct. We heard from Mr. Warren Slodowske,
25 and he's here so he can correct me if I say

1 something inaccurate this morning, that Navistar
2 is optimistic with a low diesel sulfur, and I
3 believe he stated five parts per million, his
4 company is optimistic that the proposed Tier 2
5 standards, the 0.07 grams per mile, could be
6 achieved. I don't believe I heard the same
7 optimism from you, and I'm just going to give
8 you an opportunity to explain to us exactly what
9 do you think you can achieve with five parts per
10 million as far as emission standards.

11 MR. JORGERSON: Yeah. And I think, for
12 diesels, the two issues are nitric oxides and
13 particulate matter. The high temperatures and
14 pressures of the diesel cycle give us the good
15 fuel economy, give us the low CO2, et cetera,
16 but NOx and PM are the issues. And for both of
17 those -- You know, when we look at what I would
18 consider the best available technology today of
19 diesels in the light-duty market, they're
20 approximately of NOx about one gram per mile.
21 We believe that further engine developments in
22 the time frame that we're talking about, in the
23 mid to next decade, can reduce the engine out
24 emission levels by about fifty percent, getting
25 us to the .5 per gram mile range. So I think

1 nitric oxide -- the question revolves around the
2 development of lean NOx aftertreatment. And I
3 think that's where -- you know, that's where the
4 real issue is. And I think the disagreement as
5 to what is going to become commercially viable
6 in the time frame we're talking about -- You
7 know, right now, the bin 7 level that you chose
8 or that you proposed for Tier 2 is .2 and it has
9 fifty-thousand mile interim standard at .14.
10 That would require approximately eighty percent
11 or ninety percent reduction of the engine out
12 level to achieve, given that typically for this
13 you need margin for variability in the
14 measurements and the manufacturing of these
15 products. And, you know, with -- You know, all
16 the companies that are interested in producing a
17 product for this market that's very fuel
18 efficient are looking at similar techniques.

19 Bruce, from MECA, talked about his members,
20 other manufacturers of these other aftermarket
21 development, aftertreatment devices that we're
22 referring to. It's our best guess that a
23 commercially viable product in that time frame
24 will probably be fifty, maybe seventy-five
25 percent efficient. So that takes the number

1 from .5 down to .25 or maybe down to .15. Okay?

2 And I think that's our best guess.

3 MS. OGE: So just to make sure that I
4 understand, what you're suggesting is that clean
5 diesel fuel, five parts per million, is needed
6 for a standard for NOx of .2 grams per mile?

7 MR. JORGERSON: That's what we believe.
8 And again, .5 would be the in general.

9 MS. OGE: I just want to make sure that I
10 understand what's your testimony.

11 MR. JORGERSON: If, today, I were to give
12 you -- And again, I can tell you, internally,
13 between now and August 2nd, when the written
14 comments are due, there's going to be a lot of
15 discussion amongst all of the engineers at the
16 company to determine what our recommendation
17 would be and we'll as much data on the table as
18 whatever our development -- you know, in generic
19 and expeditiously as we can. But right now, I
20 can say that what I heard about .3 is the right
21 standard. And we think that engine out, where
22 the level is, is probably going to be around .2.
23 But that kind of margin is what need to ensure
24 compliance with the audits that are there.

25 Now, I think the debate will be, then, what

1 kind of information do we give the agency. Do
2 we say .3 or do we say we're going to do our
3 best, keep the standard where it is, we'll do
4 our best and the midterm review will assess the
5 progress? I really -- I hope that's --

6 MS. OGE: Thank you. Thank you.

7 MR. JORGERSON: -- our best assessment.

8 MS. OGE: Thanks.

9 Any questions?

10 MS. STEGNIK: May I make one additional --

11 MS. OGE: Yes. Please go ahead.

12 MS. STEGNIK: With respect to, as you
13 referred to earlier, the Steenland study and the
14 record on the Steenland study, I did conclude at
15 least that a significant further evaluation
16 would be required in order to provide any
17 estimate of any risks that may be associated.

18 MS. OGE: Yeah. I was just commenting on
19 your statement that none of the studies can be
20 used. I think that statement was accurate for
21 railroad, but not for the teamsters' study.

22 Thank you.

23 I'd like to thank you for coming forward and
24 testifying today. We appreciate you taking time
25 on this very important an issue. Thank you very

1 much.

2 I would like to call now forward, Mr. John
3 Duerr, Mr. Michael Replogle, initials T.A.
4 Kirkley, Ms. Kathy Kuzava; Reverend Joseph
5 Wheeler and Dr. Robyn Levy.

6 (Whereupon, the panel members come
7 before the Board.)

8 MS. OGE: If you could please print your
9 names on the cards in front of you.

10 (Complying).

11 MS. OGE: We'll start with Mr. John Duerr,
12 and I would ask you to please keep your
13 statements to ten minutes or less than ten
14 minutes.

15 MR. DUERR: Good afternoon and thank you
16 for this opportunity to address you today. My
17 name is John Duerr, I am the manager of
18 regulatory activities at Detroit Diesel
19 Corporation.

20 Detroit Diesel or DDC is a manufacturer of
21 diesel engines and the world's largest
22 independent manufacturer of automotive diesel
23 engines. We're here to recommend modifications
24 to EPA's Tier 2 proposal and encourage EPA to
25 adopt the alternative framework proposed by the

1 Alliance of Automotive Manufacturers, AAM. If
2 EPA fails to consider the AAM's recommendation
3 and other key inputs when finalizing the Tier 2
4 rule, EPA may eliminate diesel engines, the most
5 realistic and economically viable short-term
6 solution for improving light-duty vehicle fuel
7 economy.

8 Diesel engines offer up to a sixty percent
9 fuel economy improvement compared to gasoline
10 engines and will provide up to a thirty percent
11 reduction in carbon dioxide emissions, the
12 primary greenhouse gas. Eliminating light-duty
13 diesel power trains will fail to exploit the
14 best available technology to reduce vehicle
15 carbon dioxide emissions in the United States.

16 Today our comments will focus on three
17 primary areas with the Tier 2 proposal, which we
18 believe would benefit from additional
19 refinement. First, Tier 2 emission standards
20 must be accompanied by simultaneous fuel quality
21 improvements, reducing diesel fuel sulfur levels
22 to the zero to five ppm range. Second,
23 additional time must be allowed to establish the
24 fuel supply infrastructure, develop high
25 efficiency diesel aftertreatment systems and

1 launch a new generation of clean diesel power
2 trains in North America. Third, Tier 2 rules
3 must include additional bin flexibility. This
4 involves providing greater bin resolution and
5 implementing only the one hundred and twenty
6 thousand mile emission standards.

7 I will begin by addressing fuel quality.
8 The proposed Tier 2 standards must be
9 accompanied by improved diesel fuel quality.
10 EPA is already working to reduce gasoline fuel
11 sulfur levels. Diesel engines require similar
12 fuel quality improvements for many of the same
13 reasons. Fuel sulfur directly contributes to
14 increased particulate emissions for both
15 gasoline and diesel engines. Unlike many
16 European companies, where diesel fuel sulfur
17 levels are already below thirty ppm, North
18 American diesel fuel sulfur levels range up to
19 five hundred ppm. In addition to its
20 contribution to particulate mass itself, sulfur
21 poisons diesel aftertreatment devices, quickly
22 reducing their efficiency. Fuel sulfur is a
23 barrier for diesel exhaust aftertreatment
24 technologies. The EPA successfully removed
25 similar barriers for gasoline vehicles, which

1 eliminated lead to facilitate improved catalyst
2 life for gasoline engines. They must take
3 similar action to remove the sulfur from diesel
4 fuel.

5 DDC is actively developing the best
6 aftertreatment devices with four operations from
7 our government, aftertreatment industry and
8 automotive industry partners. Early work has
9 been very promising. DDC has outfitted a diesel
10 powered SUV with a prototype continuously
11 regenerating a track system. This device can
12 remove virtually all the soot mass from the
13 engine's exhaust. However, fuel sulfur inhibits
14 the chemical reactions necessary to remove the
15 particulate matter from the filter.

16 We are also testing advanced NOx reduction
17 systems, like selective catalyst reduction.
18 This system eliminates up to ninety percent of
19 the NOx emissions. But the most efficient
20 systems lose effectiveness when exposed to
21 sulfur.

22 Two thousand and four is the first year of
23 the proposed Tier 2 standards, just four years
24 from now. The automotive development cycle
25 usually requires three to four years from

1 kickoff to production loss of a new power train.
2 So 2004 is essentially tomorrow in the
3 automotive world. Such compressed timing
4 significantly complicates the already
5 challenging task of introducing the first modern
6 diesel power trains into North America. This is
7 further complicated by the uncertainties
8 regarding the availability of low sulfur fuel.
9 Given the diesels important advantages, EPA's
10 Tier 2 rule should provide sufficient time for
11 infrastructure and product development to
12 prevent manufactured investment in these
13 programs.

14 DDC agrees with the AAM's proposal to
15 extend the Tier 2 phase-in period. This
16 accomplishes three primary goals: first, it
17 will provide fuel suppliers additional time to
18 implement an infrastructure which supports zero
19 to five ppm sulfur fuel; second, it will provide
20 engine vehicle and aftertreatment measures,
21 necessary time to develop and refine diesel
22 power train to meet the proposed emission
23 standards; and thirdly, it will allow engine
24 vehicle and aftertreatment makers time to
25 establish the production market from which to

1 justify further investments in clean diesel
2 technologies.

3 The last main point in which we would like
4 to address is the need to build additional
5 flexibility into the bin structure and emission
6 standards. The primary bin structure can
7 produce the same fleet average NOx as the Tier 2
8 proposal, however adding additional bins will
9 provide the vehicle manufacturer the flexibility
10 to meet this average. Additionally, it will
11 provide manufacturers incentives to implement
12 refinements which result in small but meaningful
13 emission reductions.

14 Finally, we recommend that EPA eliminate
15 the proposed fifty thousand mile intermediate
16 useful life emission standards and promulgate
17 only the longer one hundred and twenty thousand
18 mile full useful life standards. This change
19 will provide manufacturers additional
20 flexibility and provide incentives to develop
21 emission control devices which do not
22 deteriorate in use. This approach will have the
23 added benefit of eliminating non-necessary
24 certification tests and; thereby, reducing
25 development costs.

1 I would like to emphasize that the modern
2 high speed direct injection diesel technology is
3 the only economically viable year-term solution
4 for reducing vehicle fuel consumption in United
5 States while simultaneously reducing carbon
6 dioxide emissions.

7 Diesel engines provide many other consumer
8 benefits, often exceeding the capabilities of
9 their gasoline counterparts. Modern diesels are
10 not nosy, poor performing, smoke belching
11 engines which many recall from the 1970s. It's
12 new diesel engines rival gasoline engines for
13 nose and vibration and refinement. One of our
14 full-size SUV vehicles achieves over thirty
15 miles per gallon on the highway while
16 demonstrating twenty-two miles per gallon on a
17 combined city highway cycle. Even at these
18 early development stages, it is quiet, producing
19 gasoline-like sound quality and the exhaust from
20 this vehicle is odorless and colorless. The
21 diesel's higher tort provides better towing and
22 driveability characteristics than larger
23 gasoline engines.

24 In conclusion, the success of the new
25 diesel technologies depends on a rationale

1 approach to Tier 2 standards and timing. A
2 successful Tier 2 strategy wants to improve
3 diesel fuel quality, with sulfur levels in the
4 zero to five ppm range; sufficient time to bring
5 high efficiency, clean diesel vehicles, engines
6 and aftertreatment systems to the marketplace
7 with a low sulfur fuel infrastructure to support
8 them; and additional bins and increased
9 flexibility in the structure of the Tier 2 rule.
10 With these considerations, diesel engine and
11 vehicle manufacturers can make fuel efficient,
12 clean diesel technologies to the United States
13 consumers.

14 Thank you.

15 MS. OGE: Thank you.

16 Mr. Michael Replogle.

17 MR. REPLOGLE: Hello. It's my pleasure to
18 be here this afternoon. I'm Michael Replogle.
19 I'm federal transportation director at the
20 Environmental Defense Fund, and I'm speaking
21 today on behalf of EDF's three hundred thousand
22 members, including many thousands in the
23 southeastern United States.

24 I'm pleased to testify in support of strong
25 improved vehicle tailpipe standards and low

1 sulfur fuel requirements. The number of miles
2 that Americans drive in cars and trucks has
3 increased by a hundred and twenty-seven percent,
4 since the Clean Air Act was first adopted in
5 1970. This dramatic increase in our driving
6 activity necessitates both increasingly cleaner
7 vehicles and fuels and incentives to foster
8 healthy communities with less traffic.

9 The standards proposed by EPA would have a
10 variety of important clean air benefits. While
11 levels of some air pollutants have been
12 declining over the years, national emissions of
13 nitrogen oxides have increased by eleven percent
14 in 1970, endangering our public health and our
15 welfare. NOx is one of the major contributors
16 to ground level smog, which causes short and
17 long-term lung damage in children, asthmatics
18 and other vulnerable populations. NOx is one of
19 the major contributors upon particles that cause
20 premature death, hospitalization and emergency
21 treatment among elderly and other vulnerable
22 populations. NOx is a major contributor to acid
23 deposition and ecological damages in our
24 beautiful mountains, lakes and streams. And
25 roughly half of the NOx is coming from our cars

1 and our trucks.

2 Asthma is the number one chronic disease
3 inflicting children in the United States. The
4 reported incidents of asthma in the U.S. has
5 risen by forty-two percent in the last decade to
6 over fifteen million Americans. Admissions to
7 regional hospitals for respiratory-related
8 illnesses increased significantly during days in
9 the summer on which air quality violations are
10 recorded. Most admissions are children and the
11 elderly. The many doctors advise everyone to
12 refrain from exercise outdoors on smoggy days.

13 Research evaluating the relationship
14 between emergency room visits to a hospital for
15 childhood asthma and the exposure to ozone in a
16 predominately black population, here in Atlanta,
17 found that the average number of visits for
18 asthma or reactive airway disease was
19 thirty-seven percent higher on days after
20 incidents in which the ozone level in Atlanta
21 rose to eleven parts per million or above.

22 More than five thousand Americans died from
23 asthma in 1992, an average of fourteen people a
24 day, representing a fifty-eight percent increase
25 from thirteen years ago. Hospitalizations and

1 mortality rates have increased especially for
2 preschoolers and African-Americans. Thousands
3 of lives can be saved by adopting the standards
4 for cleaner vehicles and fuels and complimentary
5 strategies to reduce traffic growth. This is
6 most obvious in cities like Atlanta, with its
7 high rate of motor vehicle use, higher, in fact,
8 than any other metro area in America. Atlanta
9 suffers from serious smog pollution and half of
10 that pollution comes from car tailpipes.

11 When fully implemented, the Tier 2 and low
12 sulfur standards will reduce NOx emissions in
13 Atlanta by over seventeen thousand tons a year
14 and more than two million tons a year
15 nationally. Strong tailpipe standards and low
16 sulfur fuel are also necessary to reduce other
17 harmful particulate matter, all the organic
18 compounds and toxic air pollution.

19 EPA's own cumulative exposure project
20 indicates that millions of Americans are exposed
21 to unreasonable cancer risks from air toxins and
22 that motor vehicles are a principle a
23 contributor to this cancer risk. This important
24 data is now in the public domain. And indeed
25 it's available on the internet at

1 www.scorecard.org. It's estimated that millions
2 of Americans are exposed to cancer risks from
3 air toxins that seriously exceed the risk level
4 acceptable under the Clean Air Act.
5 Seventy-five million Americans are exposed to
6 unacceptable concentrations of polycyclic
7 organic matter. Thirty-three million Americans
8 are exposed to unacceptable concentrations of
9 benzene and three million Americans are exposed
10 to unacceptable concentrations of 1-3 benzene.
11 Cars and trucks are the major contributor to
12 each of there harmful pollutants. In Georgia,
13 cars and trucks account for about sixty percent
14 of the cancer risks from hazardous pollutants in
15 the ambient air. And these pollutants
16 contribute to asthma and other health problems.

17 The national low sulfur fuel program is a
18 critical component of this clean air strategy.
19 High sulfur fuel damages the pollution control
20 efficacy of new clean car technology, leading to
21 substantially more air pollution. Not
22 surprisingly, dirtier gasoline leads to dirtier
23 tailpipe emissions. Conversely, cleaner
24 gasoline is necessary for the new state of the
25 art clean car technology to realize its full

1 potential. In Atlanta alone, it is estimated
2 that the benefits of low sulfur fuel are
3 equivalent to removing approximately eight
4 hundred thousand vehicles from the road.

5 This important clean air strategy is cost
6 effective. It will add less than one hundred
7 dollars to the cost of cleaner cars and
8 approximately two hundred dollars to the cost of
9 cleaner trucks and sport utility vehicles.
10 Cleaner gasoline is estimated to cost an
11 additional one to two cents a gallon, well
12 within the noise level of what we see every day
13 today. For a modest investment, Americans will
14 reap tremendous benefits in cleaner, healthier
15 air and less cancer risk.

16 The Environmental Defense Fund has five
17 specific comments on EPA's proposal: first, we
18 strongly support fuel-neutral standards. EPA
19 should establish standards that apply with equal
20 force to gasoline and diesel fuels and should
21 not favor a particular fuel type by establishing
22 relaxed pollution standards.

23 Second, we strongly support vehicle-neutral
24 standards. EPA should establish tailpipe
25 standards that apply with equal force to all

1 passenger vehicles, whether car, truck, minivan
2 or a sports utility vehicle. Americans
3 increasingly choose to drive a wide range of
4 vehicle types and sizes. In making this choice,
5 Americans should be allowed to drive clean
6 vehicles. The parents that drive minivans to
7 transport their kids should be assured that that
8 minivan will not contribute to unhealthy air
9 quality for those same children but will instead
10 reap the same clean air standard as any other
11 passenger vehicle.

12 Third, the Environmental Defense Fund urges
13 EPA to eliminate the significant delay in
14 implementing this important clean air program.
15 We urge EPA to require all vehicles to meet the
16 new clean standard by 2006. A three-year
17 compliance period beginning in 2004 allows ample
18 time for the vehicle manufacturers to phase-in
19 these new requirements. In contrast, EPA's more
20 proactive compliance schedule is unreasonable.
21 We believe it is unnecessary to give automobile
22 manufacturers more time to implement available
23 proven technology than it took to put a man on
24 the moon.

25 Fourth, the Environmental Defense Fund

1 urges EPA to more thoroughly examine the air
2 toxins implications of this proposal. EPA's own
3 cumulative exposure project indicates that
4 millions of Americans are exposed to
5 unreasonable cancer risks from air toxins and
6 that pollution from vehicles is a major
7 contributor to those risks. For example, EPA
8 and DOT should cooperate to collect and analyze
9 data to help evaluate how air toxic exposures
10 vary based on proximity to highways, traffic
11 composition and background conditions and other
12 factors.

13 Fifth, nationwide low sulfur fuel is
14 critical to ensure this strategy produces clean
15 air benefits in the western United States and to
16 ensure that eastern investments in clean
17 vehicles are not undermined by vehicle travel
18 across the country. We're a highly mobile
19 society. Low sulfur fuel will help ensure that
20 the millions of Americans from across the
21 country and those from overseas that visit our
22 great vistas, like the Grand Cannon, can see
23 those vistas that are so clear and so inspiring.
24 And they will, in fact, find a souvenir in the
25 west that is a vista and not something

1 irreversibly damaged by poor pollution control
2 equipment and strategies.

3 Pollution from all types of cars and trucks
4 and dirty fuel threatens our public health and
5 our welfare. It is EPA's responsibility to
6 address this problem. There's a compelling air
7 quality need for cleaner vehicles and cleaner
8 fuels, as well as measures to reduce traffic
9 growth.

10 We respectfully urge EPA to act
11 expeditiously in completing this important
12 rulemaking and to turn back cause for delay and
13 to put in place strong standards that will help
14 ensure in present and future generations and our
15 most and disadvantaged citizens have clean and
16 healthy air.

17 Thank you.

18 MS. OGE: Thank you.

19 Mr. Kirkley.

20 MR. KIRKLEY: Good afternoon. Thank you
21 for the opportunity to share my thoughts this
22 afternoon at this hearing on EPA's Gasoline
23 Sulfur Reduction Proposal.

24 By way of introduction, my name is Allan
25 Kirkley, and I have the privilege of heading up

1 the Norco Refinery. Norco is a large modern
2 refinery, located just up the river from New
3 Orleans, formerly owned by Shell Oil Company and
4 now a part of Motiva Enterprises, which is a
5 venture between Shell, Texaco and Saudi-Aramco.

6 I would like to acknowledge up front my
7 very strong hope about the desired outcome of
8 this process. My strong hope is this process
9 will facilitate continued improvement in the
10 quality of our environments and our
11 environmental resources, while also recognizing
12 and supporting the quality of life and economic
13 strength that we derive from the abundance of
14 inexpensive, high quality transportation fuels
15 in this country. My fear is that all too often
16 strong positions are espoused from only one side
17 of this important equation. And this can result
18 in decisions that are blind to the realities of
19 the other side. We need balance in our thought
20 processes, we need compromise in our solutions.
21 I would hope that through this hearing, others
22 like it being held around the country, and the
23 ultimate rulemaking process comprised is
24 possible, compromise which allows us as a nation
25 to continue to see further gains in our air

1 quality, in our communities, while not
2 delivering a knock-out punch to an industry that
3 provides so much in terms of economic
4 capabilities and underpins our culture and
5 quality of life.

6 Let me begin, please, by describing the
7 industry which I have great respect for and have
8 been affiliated with for the better part of the
9 last twenty year, first with Shell Oil and now
10 with Motiva Enterprises. The refinery industry
11 in the United States today, as a routine,
12 refines approximately fifteen million barrels a
13 day of crude oil. We collectively satisfy the
14 demand for approximately eight million barrels a
15 day of gasoline, three and a half million
16 barrels a day of viscosities and one and a half
17 million barrels a day of jet fuel that our
18 country consumes each and every day.

19 For those of you that may not be familiar
20 with barrels, that eight million barrels a day
21 of gasoline translates to three hundred and
22 thirty-six million gallons of gasoline which is
23 consumed every day in this country on average.
24 We use these products in personal pursuits:
25 getting to and from work, to and from school,

1 traveling on vacation or to visit family. In
2 the wintertime, we use our products to warm our
3 homes and so on. We also use these products in
4 business pursuits. In also any business
5 enterprise that requires products or services to
6 be mobile or transported, you will find the
7 product of the refining industry providing that
8 transport fuel that is integral to that business
9 enterprise's success.

10 So while I am very proud of our industry,
11 the many positive ways we impact the quality of
12 life and economic face in this company, let me
13 also share with you a very painful and
14 frustrated side of the refining business. The
15 refining industry in the United States is under
16 tremendous pressure on many fronts. We are
17 certainly under pressure from new and complex
18 environmental regulations. There are costs
19 associated with compliance, both in an ongoing
20 sense of surveillance, record keeping and
21 reporting as well as capital investment being
22 required. There is a consistent pattern over
23 time whereby new environmental regulations have
24 resulted in additional capital investment to
25 satisfy regulatory requirements. However, the

1 marketplace has not allowed that return on those
2 investments. We are under a great deal of
3 pressure in refining, in that we are in a
4 competitive, global commodity business. We work
5 very hard and make very little money in the
6 refining business in this country.

7 Speaking now only about Norco Refinery, we
8 have averaged, over the last three years, a
9 return on our investment that does not meet the
10 minimum level needed to justify additional
11 investment in this industry or in this refinery.
12 Our rate of return does not come close to that
13 which could be earned from investments in the
14 stock market and today it does not even compete
15 with the very safe, low-risk investment in
16 treasury bonds. This is a business that is very
17 capital intensive and have a large safety and
18 environmental exposure, but yet provides a very
19 low return to our shareholders. Why would you,
20 as an investor, continue to invest in a business
21 that has a long history of performing at
22 unsatisfactory levels of return for your
23 shareholders? I believe the writing is on the
24 wall that many companies will choose to make the
25 decision not to invest or to significantly

1 restructure in an attempt to stay in the game.
2 I know, again, speaking for Norco Refining, we
3 have had and I expect will continue to have a
4 very difficult time of tracking investment
5 capital at our current levels of return.

6 These are very important numbers, so please
7 hear them. Nineteen eighty there were three
8 hundred and nineteen refineries operating in the
9 United States. When the 1990 Clean Air Act was
10 passed, there were two hundred and five
11 refineries operating in United States. Today
12 there are a hundred and sixty-one refineries
13 operating in the United States. We believe that
14 if gasoline sulfur reductions proposals go
15 allowed -- are allowed to go forward in their
16 current form, additional refineries are likely
17 to be shut down as opposed to making the
18 additional investment requirement.

19 The implications of this trend are
20 significant and should not be overlooked or
21 under estimated by those making the
22 environmental regulation. I personally like to
23 use California as a real-life example of what I
24 believe will happen nationwide should this
25 sulfur rule go forward as proposed. Shell used

1 to have a refinery in the Los Angeles area,
2 which was a strategic manufacturing base and the
3 largest gasoline market in the United States.
4 However, due to concerns over adequate financial
5 returns, including the expected size of
6 investments, required to meet new environmental
7 regulations, Shell chose earlier this decade to
8 sell a portion of the refinery and shut down the
9 rest, walking away from the manufacturing base
10 and the largest gasoline market in the United
11 States. Other companies made similar decisions
12 and refineries were closed. And today
13 California has the strictest gasoline sulfur
14 specifications in the nation, essentially what
15 is being proposed in this rulemaking. But they
16 also have the most precarious supply-demand
17 balance in the nation. Since the California Air
18 Resource for gasoline were enacted, there have
19 been several noticeable supply disruptions
20 resulting in significance gasoline price
21 increases in California.

22 While it is popular with the media or local
23 politicians to blame the refining industry for
24 these price increases, the reality is that
25 regulatory forces created this very precarious

1 supply and demand situation. I personally fear
2 that a similar situation could be created on a
3 national scale if the proposed sulfur rule goes
4 forward in its current form. I predict some
5 refineries will choose not to meet the need of
6 investments and will shut down. I also predict
7 that we will see an already tight supply and
8 demand balance get even tighter to where the
9 slightest disruption in supply causes tremendous
10 market pressure on the price.

11 Yes, we are a global commodity, but a
12 commodity business. And, yes, such a disruption
13 might be short-lived until additional product
14 came in from another region or from offshore.
15 But the reality is that these regulations will
16 create a world more prone to supply a disruption
17 of market vitality than we have today.

18 I said in my opening remarks that we need
19 balance in our thought process. I am very
20 confident that on many fronts we continue to
21 make progress for improving our country's
22 environment and air quality.

23 Earlier this week, a summer thunderstorm
24 rolled through New Orleans and shortly
25 thereafter, there was a beautiful rainbow across

1 the sky. I grew up in a world filled with
2 rainbows, and I want nothing more than my
3 children and their children and other children
4 to experience the same awe and wonder that only
5 nature can inspire in us in so many ways. But I
6 also want my children to respect science and
7 facts and me. And the data suggest we are
8 seeing benefits in many areas, from the efforts
9 of the past, that air quality in this country is
10 improving. Therefore, the dramatic steps in
11 accelerating the timetable outlined in the
12 current Gasoline Sulfur Proposal are not
13 warranted or justified. The vast majority of
14 our industry, along with associations
15 representing our industry, have put forward
16 detailed proposals that will significantly
17 reduce the sulfur levels in our fuels and are
18 run with the country's regional air needs.

19 The industry's proposals also provide more
20 time for new sulfur reduction technological
21 developments to catch up to this challenge and
22 allow the industry to make the investments in
23 the most cost effective manner possible.

24 I would like to provide some additional
25 insights into a proverbial rock and a hard place

1 we find ourselves in in our industry. There's
2 no doubt that more stringent gasoline sulfur
3 regulations are forthcoming. And these
4 regulations will require additional capital to
5 be invested across the refining network. The
6 industry has said that we need a minimum of four
7 years from the time that the rule is final until
8 the comments can be completed and on line. But
9 the vagaries and the complexities of the
10 permitting process make this timetable much more
11 uncertain. Do you realize that in today's world
12 to carry out a major capital project, the design
13 for the project must be completed at least
14 eighteen months prior to the starting of
15 construction. It can take up to eighteen months
16 to have a reasonable chance of obtaining the
17 necessary permits to construct and operate. And
18 even if you're successful at obtaining the
19 necessary permits to construct and operate, we
20 remain exposed to someone making a claim under
21 Title 6 of the Civil Rights Act effectively
22 blocking that permit. This forces additional
23 litigation and negotiations which can further
24 delay the project.

25 When we were mandated to invest, to meet

1 certain regulatory requirements, the existing
2 process to obtain permits can create additional
3 delays and increased cost. EPA's desire to
4 provide banking credits is commendable. But
5 without the permits, we cannot put any credit in
6 the bank nor can we deliver the clean fuels
7 earlier than what you are currently proposing.

8 My plea is that EPA help in streamlining
9 the permitting process, which is equally as
10 critical as the regulations themselves.

11 I have sat through this morning's session
12 and I respect and acknowledge EPA's stated
13 objectives of cleaner air, technically feasible
14 solutions and cost-effective solutions. There
15 is nothing I want more than to be a player in
16 this pursuit. But we do need help to ensure
17 that all three are truly met.

18 Several assumptions I have heard over and
19 over need to be addressed: one, that low cost
20 technology exist. The reality is that much of
21 this advertised low-cost technology is not
22 commercial today and it is in still various
23 stages of development and testing. The other
24 assumption is that we can move quickly as an
25 industry. As I have stated earlier, today's

1 permitting process is greatly at odds with this
2 assumption.

3 In closing, I would like to again state my
4 appreciation in the opportunity to participate
5 in these hearings. I think they are critically
6 important. For the sake of our country, I hope
7 they result in a balanced solution. With
8 balance and compromise, we can reach an answer
9 that promotes continued progress on an
10 environmental front while recognizing the
11 critically important role the refining industry
12 plays in both our economy as well as our quality
13 of life.

14 Thank you very much.

15 MS. OGE: Thank you.

16 Ms. Kathy Kuzava.

17 MS. KUZAVA: That's very good.

18 MS. OGE: Thank you. I'm getting better.
19 Come with me to Cleveland, probably I will
20 pronounce all the names correct by then.

21 MS. KUZAVA: Thank you. My name is Kathy
22 Kuzava, and I am president of the Georgia Food
23 Industry Association. Our membership consists
24 of over two hundred and fifty grocers and food
25 wholesalers in the State of Georgia. Now, some

1 of our members are large supermarkets, like
2 Publix, Kroger, those that you've heard of. But
3 many of my members are also independent grocers,
4 very small grocers, who serve across the State,
5 many in very rural areas. And all of my
6 brokers, all of my brokers, operate on a very
7 small profit margin, usually less than one
8 percent.

9 As I listen to all these people, I'm a
10 little intimidated in that I know very little
11 about the vehicle emission issues today that
12 you're considering. However, I have read that
13 you would require trucks under eighty-five
14 hundred pounds to meet the same emission
15 standards of passenger cars and trucks would
16 have to be smaller or less powerful. I've also
17 read that the EPA estimates the cost of this new
18 regulation to be between one hundred and two
19 hundred dollars per vehicle.

20 Now, these cost estimate concern my members
21 and me. I don't know if there are hidden costs
22 associated with these restrictions. And
23 unfortunately I suspect that EPA does not know
24 either. For example, will the regulations
25 curtail the activities of boaters and campers

1 who use their vehicles for towing? If so, how
2 will this impact my smaller grocers in Hart or
3 Greene or Lee counties who depend on the people
4 in those areas who come to the lakes and account
5 for a significant percentage of their business.
6 I don't know if this will effect them; but,
7 again, I don't suspect that the EPA knows
8 either.

9 Also, how will the regulations effect the
10 family farmer, the small family farmer who
11 brings his produce to market? Will he have to
12 get a higher price for the produce because the
13 smaller pay loads will increase the
14 transportation costs? Will these costs be
15 passed on to the brokers and then onto the
16 consumer? Again, I don't know, but I suspect
17 that the EPA does not know either.

18 Even small increases in doing business can
19 mean the difference between the continued
20 existence or failure for many of my family-run
21 grocers. I ask that you carefully weigh what
22 appears to be a very small gain of the air
23 quality against the potential adverse impact on
24 many of my hardworking Americans.

25 Thank you.

1 MS. OGE: Thank you.

2 Dr. Robyn Levy.

3 DR. LEVY: Hi. I'm Dr. Robyn Levy. I'm a
4 solo practicing pediatric and adult allergist
5 and asthma specialist. I canceled my day's
6 event to be here, which is a big thing for me
7 because there's no one back at the ranch to take
8 care of my patients.

9 And I don't have a written speech. I read
10 what I can to understand the data that you're
11 presenting, and I wanted to take a couple of
12 personal observations from my prospective as a
13 physician in respiratory medicine.

14 I went into practice approximately a decade
15 ago in Atlanta. I trained in Los Angeles, on
16 Sunset Boulevard. So I trained in the heart of
17 the thickness of air, I know, in this country.
18 Even I, who don't have asthma, had difficulty
19 breathing at times walking to the cafeteria on
20 Sunset. I have been struck over the past decade
21 at the lung arrhythmic increase in numbers of
22 patients in my practice who suffer with air
23 quality related diseases. And it is with mixed
24 emotions of great joy and terrible bitterness
25 and sadness that my practice has tripled in the

1 last year. I was in a group and went solo two
2 years ago, was a little bit worried about how I
3 might fair. Some of the managed care markets
4 have made it very difficult to practice
5 specialties like allergy and asthma and
6 immunologies. I'm happy that I'm still here and
7 in private practice and doing well. I'm very
8 concerned that my practice has grown largely as
9 a result of respiratory diseases because of
10 things that make me and my family quite ill.

11 I was excited to move to Atlanta ten years
12 ago. I grew up near here. Thinking that I
13 would leave Los Angeles and all of my
14 respiratory woes behind me. Within a year and a
15 half, I had massive sinus surgery and last
16 summer had additional surgery, and I don't have
17 allergies. It's related to problems that I
18 suffer when outdoors.

19 In my medical body of literature in the
20 asthma and allergy field, I noticed over the
21 past several years, increasing numbers of
22 articles in my reading journals related to
23 questions regarding air quality and respiratory
24 disease, particularly asthma. I don't have to
25 reiterate the numbers. You know how many

1 millions of people have asthma, and all of you
2 know somebody who coughs and wheezes daily.

3 I oftentimes have to disguise what I do for
4 a living when I go on holiday because everybody
5 somewhere has a question about their allergies
6 or their asthma. So usually I make up some
7 other occupation when I'm on holiday. I am
8 amazed at the increasing prevalence of asthma
9 and allergic rhinitis and non-allergic rhinitis.

10 As I said, in my body of literature, in my
11 profession, increasing numbers of articles have
12 been written in the last several years by
13 excellent researchers such as Andy Saxon, at
14 UCLA; Jay Portnoy at Kansas City Children's
15 Hospital, and several other researchers across
16 the nation, indicating that problems with diesel
17 air particles and ozone and latex particles from
18 regular car tires are tremendous regulators of
19 the immune system and airway type of
20 responsiveness. They clearly see a relationship
21 in many different studies related to air quality
22 and respiratory disease.

23 When I moved to Atlanta, I thought I was
24 moving to a cleaner city. I know that the
25 growth is not going to be slowed, and I'm

1 responsible for at least the population of one
2 helping it to increase. However, as I watch the
3 population increase and our propensity for
4 driving our own vehicles and driving larger and
5 larger vehicles, I think we do see more SUVs
6 than cars on some days, I remain quite concerns
7 about what I see amongst my patients. Many,
8 many, many, many, many, many, many patients in
9 our community feel that they have allergic
10 disease, so-called I.g.E., immunoglobulin
11 E-mediated disease. That's classic allergies to
12 pollen and trees and grasses. A large, large
13 percentage of my patients -- And two-thirds of
14 my practice are children. I'm board-certified
15 also in pediatrics. I also treat adults. At
16 least over half of my patients come to me
17 thinking that they have a problem with outdoor
18 problem; and, in fact, are skin test negative.
19 And what they're reacting to and they feel
20 terrible going outdoors in the change of seasons
21 or in the heat of summer, are related to quality
22 of air issues.

23 As we speak right now, I have three
24 children at home who can't go to camp or play
25 soccer outdoors this week. They're at home on

1 round-the-clock breathing treatment, one of whom
2 I nearly put in the hospital last night. And
3 clearly in the last two months I have treated
4 more patients with medications, steroids,
5 bronchodialators, and antibiotics in the last
6 two months of my medical practice than every in
7 the months of April and May in my entire career.
8 That is not because it is the highest pollen
9 count, that is not because we're all enjoying
10 the great outdoors and it certainly isn't
11 because Atlanta has more trees. We're loosing,
12 I think it's twenty-seven acres of trees due to
13 construction.

14 What I see is that every year, as opposed
15 to my earlier years in the 1990s, when I was
16 somewhat akin to the May Tag repairman, I was
17 quite lonely and patients didn't call so often.
18 In the last several summer, three to four years
19 in the past, I have noticed increasing phone
20 calls and visits to the office in the summer
21 months. I wasn't a lonely. I was a bit happy
22 with the stability of my practice, but a bit
23 concerned about what that represented. The last
24 several years, the summers have been quite busy
25 with respiratory illnesses. And I have

1 prescribed more antibiotics in the last two
2 months than every before in those two months of
3 any year of my practice. My colleagues are
4 calling me with similar stories. They're all
5 out there busy prescribing antibiotics,
6 steroids, bronchodialators and encouraging
7 individuals to stay indoors.

8 I don't see an improvement in much of
9 anything that we've accomplished in Atlanta in
10 the last decade. I know there are sincere
11 efforts on the part of the EPA, EDF, other
12 conservancy groups here in Georgia, to help us
13 develop policies to have cleaner air.

14 I'm most impressed with the Tier 2 proposal
15 and strongly recommend that any and everything
16 that we can do today and forward to add to those
17 restrictions can only be a start. This
18 certainly isn't a finish or even a middle, this
19 is only a start. And our work is just
20 beginning.

21 I wanted to touch on one comment that my
22 colleague to my left made earlier about asthma
23 being an irreversible lung disease. In my
24 training ten years ago, I was taught that asthma
25 was a reversible airways disease in contrast to

1 chronic lung disease from cigarette smoking or
2 emphysema or coal miners lung or lung disease
3 from cancer or lupus. We have learned from the
4 last decade from a tremendous amount of
5 pathophysiologic and histologic examination of
6 lungs of asthmatics that asthma is a chronic
7 inflammatory of the airways, most importantly in
8 the lower airways. And if not treated
9 effectively and early, these children will go on
10 to develop permanent irreversible damage. I see
11 it in my office every single day.

12 We are seeing now over the last decade
13 worsening asthma, greater prevalence of asthma
14 and greater severity of asthma. The attending
15 physicians who trained me in Los Angeles ten
16 years ago began to postulate on their own
17 experience, that we were seeing a worse brand of
18 asthma than before. I can collaborate their
19 concerns with my own over the last decade that I
20 am giving out stronger medications to younger
21 children, stronger medications to older women
22 who risk severe problems such as osteoporosis
23 from inhaled steroids. But I don't have many
24 opportunities right now to help those
25 individuals.

1 I am very, very aggressive at teaching
2 patients environmental control in their homes,
3 with their pets and pesticides and molds,
4 teaching clean houses, environmentally sound
5 houses, teaching them when to exercise in the
6 mornings before air condition is bad,
7 conservative placing some patients on therapy or
8 allergy injections, and teaching over and over
9 again every bit of preventive measures and
10 preventive medications. My use of medications
11 is too high, my visits are too high. Asthma is
12 the number one cause of missing school days of
13 all diseases of children of childhood of chronic
14 diseases. It is the number one cause in the
15 nation to the Scottish Rite Children's Hospital
16 of which I am on the executive board.

17 And it's very concerning to me and by
18 listening to all of these comments that none of
19 us in this room would actually be here and none
20 of us would be concerned if, in fact, we didn't
21 have human lungs and human respiratory tracks
22 and human sinuses. The human physique was never
23 built to inhale combustible particles of any
24 sort. We could light this carpet and all
25 breathe it and we're not going to feel well.

1 Because of the fact that we are stuck with our
2 bodies and because of the fact that we're the
3 only opportunity that our children and
4 grandchildren and next generation have to live
5 any sort of resemblance of a healthy outdoor
6 life or indoor life, I think that we really have
7 no choice. We have to do what we can do no
8 matter how painful, how costly, and how
9 difficult it is. No matter what the deadlines,
10 no matter what the needs, we've all met needs
11 and deadlines and suffered people cost in our
12 lives, financially and otherwise, for many,
13 many, many causes. And I can't think of one
14 more than to preserve the health of ourselves
15 and future generation.

16 MS. OGE: Thank you. Dr. Levy, thank you
17 so much for taking time and to come here and
18 share your views with us, especially leaving
19 your practice. You may want to go back. Sick
20 children are waiting for you. Thank you so
21 much.

22 DR. LEVY: Shall I stay for the panel?

23 MS. OGE: Please do.

24 Our last speaker is Reverend Joseph
25 Wheeler.

1 REVEREND WHEELER: Good afternoon. Thank
2 you for the opportunity to share my concern
3 about what I feel is one of the most important
4 topics leading into the New Millennium.

5 I am Reverend Joseph Wheeler, president for
6 the Clayton County Branch of the NAACP. We are
7 a civil rights active group. Our constituency
8 has been disproportionately impacted from
9 pollution as it relates to illnesses like asthma
10 and other respiratory illnesses. Therefore, I
11 am here to voice concern and to show support for
12 the EPA's standards proposed. We support these
13 standards and its intention. Our branch is
14 located here in the Atlanta area where the
15 pollution level is dangerously high. We have
16 been working with local business and political
17 leaders to establish local transportation in an
18 effort to reduce automobile use and
19 substantially reduce pollution.

20 We feel that the proposal, or EPA proposal,
21 will have greater weight to the aforementioned
22 measures that we're taking. We only hope that
23 special interest groups will not be allowed to
24 make use of loopholes in the proposal in the
25 proposal that would render our efforts

1 meaningless.

2 While I understand the concerns of the oil
3 industry and vehicle manufacturers, I also
4 understand that if we will continue to be the
5 leaders of the free world, we had better
6 maintain our health. I am not going to be
7 long-winded. My position is pretty clear, our
8 constituents have been affected by environmental
9 racism, by environmental conditions that concern
10 all of us. And I just want to make sure their
11 voice is heard, and that's why I'm here.

12 Thank you.

13 MS. OGE: Thank you.

14 Any questions for the panel?

15 (No response).

16 MS. OGE: I'd like to thank you very much
17 for taking the time to come and share your views
18 with us. Your written and oral comments will go
19 to the docket and we will consider all your
20 views very carefully as we're moving forward to
21 put together the final recommendations.

22 Thank you very much.

23 MS. OGE: I would like to ask our next
24 panel to please come forward. Mr. Joe Beasley,
25 Mr. Rick Wynn, Mr. Foster McCaskill, Michelle

1 Artz, Ms. Janice Nolan, Mr. Dennis Hopper.

2 (Whereupon, the panel came before the
3 board.)

4 MS. OGE: We'll start with you, Mr.
5 Beasley.

6 MR. BEASLEY: Thank you very much for the
7 opportunity to come and to share. I did not
8 prepare a written statement, but I want to
9 respond to a couple of things I heard earlier.
10 And I wanted to let you know that my remarks is
11 strictly to do with Title 6, the regional
12 justice side of it. And it might not be totally
13 off the point, but the African-Americans have
14 been very much disproportionally impacted by
15 asthma. And the fact of the matter is, here in
16 Atlanta, we have the privilege of having some of
17 the dirtiest air in the country.

18 Children, African-American children -- Of
19 course this has been quantified and documented
20 in a study by Dr. Robert Fuller, from Clark
21 Atlanta University, very recently, to give you
22 the exact numbers, and we didn't get in this
23 dirty air situation just through happenstance.
24 It's a little deeper than that.

25 I am a native Georgian. I've lived here

1 sixty-two years, and we've got so many cars
2 because when we really became industrialized,
3 many of us had to leave the farms and move into
4 the urban area. That was a great plight, as you
5 know, from Atlanta, in the fifties and sixties
6 and seventies and even into the eighties, with
7 all these cars and all these roads. In the
8 meantime, there's a group that didn't have the
9 money, the resources, and this great vapor
10 that's over the metropolitan Atlanta is
11 presently over the area that is occupied by
12 folks that can't get out, locked into all that
13 dirty air that has grown out of some of these.

14 And I was listening to my friend, and I
15 have worked closely with Texaco, it's Motiva
16 now, and I worked closely with other people. I
17 know what is going on with the oil industry.
18 And I have to say it, but it's true. Even where
19 the oil is being extracted from, Nigeria and
20 places like that, the oil companies don't give a
21 rip, or damn, if you will, about the environment
22 there, nor do they care about it -- All they
23 want to do is more and more oil, more and more
24 cars and a higher profit margin. At some point,
25 even the oil companies must be concerned, car

1 manufacturers must be concerned, about the most
2 important part of this whole equation about
3 capital investment and all of this. The most
4 important component happens to be human
5 component. And some way --

6 And I hope the EPA, with the courage not to
7 give any ground or any quarter, whatsoever, to
8 the pleas that we need a longer period to comply
9 or that we need extra consideration for these
10 big vehicles that the people I'm concerned about
11 can't even afford. And we wouldn't have this
12 dirty air -- And also, EPA if you would share
13 with whoever is the appropriate federal agency
14 is, we wouldn't have this problem, all these
15 cars, if, in fact, there was some support for
16 public transportation, which we don't have.

17 And sadly, there's another ugly side to
18 that. We don't want public transportation going
19 north to Cobb or Gwinnett or south to Clayton or
20 Fayette, where I came from. And there's another
21 ugly dimension to that, that we, in fact, for
22 this public transportation going to these
23 arteries, these undesireables are going to come
24 out there and impact our quality of life. It
25 really is kind of like an ethnic cleansing

1 situation. And of course, I think the idea now
2 here in Atlanta and across the country is desire
3 -- this move, if you will, people are tired of
4 driving two hours to work and two hours back and
5 stuck in the traffic, so we're saying we're
6 going to have a removal situation. We still
7 don't want public transportation, which would
8 really cut down on these cars. We still don't
9 want that because -- well, I've said that
10 earlier.

11 So in addition to sticking to the stricter
12 standards and -- And the doctor, when she spoke
13 about how her practice has tripled in the last
14 year, I think is very -- we need to take that to
15 heart. And the young boy, at the news
16 conference that was held this morning, a young
17 white boy -- We didn't have any black kids. But
18 he told a very heart-wrenching kind of response,
19 what this dirty air is doing to him. And that
20 is -- But it is duplicating over and over and
21 over; and so my hope is that we would always
22 keep in mind the most important component in any
23 area, in any city, and that's people. And you
24 know, if we are using vehicles and so forth that
25 we know is killing us, why would we want to beg

1 with some more time. Some people don't have
2 time. They're going to die from this poison,
3 dirty air, that the automobile manufacturers and
4 the oil producing companies have brought upon
5 us.

6 So I just hope that the EPA and your other
7 kindred board, use your influence, your power,
8 to make sure that this air will be cleaned up
9 and stop telling lies about Atlanta, how it's a
10 wonderful mecca -- you know, just get to
11 Atlanta. The fact of the matter is, if you just
12 get to Atlanta, you might die in this poison air
13 of these cars on these roads.

14 You can just see the cars. I was in south
15 Africa a few -- '94, I guess it was, the
16 election. You can see that stream of trains and
17 cars come into Johannesburg. You see the same
18 pattern here in Atlanta. In the morning, the
19 cars and the trains coming in from the north,
20 you know, it's built for people to come in and
21 make money. And then the evenings, heading back
22 out. And we can't build enough. It's not wide
23 enough, so we want to cut another parameter. We
24 can build ourselves with roads and so forth out
25 of this situation. We've got to look at some

1 alternative way of traveling. And it's not with
2 bigger and dirtier vehicles.

3 Thank you very much.

4 MS. OGE: Thank you.

5 Mr. Rick Wynn.

6 MR. WYNN: Thank you. I'm Rick Wynn. I'm
7 manager of field planning, quality and
8 regulatory compliance with Citgo Petroleum
9 Corporation. Citgo is based in Tulsa, Oklahoma,
10 and is a refiner of transporter and marketer of
11 transportation fuels, lubricants, special
12 chemicals for refined waxes, asphalt and other
13 industrial products.

14 Citgo controls about 1.3 million barrels
15 per day of refining capacity, and that's the
16 third largest in the country, and it's fifth in
17 the nation in terms of branded gasoline marketed
18 each year with 10.4 percent.

19 First of all, let me say that Citgo
20 supports the reduction of sulfur in gasoline.
21 Lower sulfur gasoline predicts to lower vehicle
22 emissions, which is good for our nation.
23 However, Citgo believes that a phase-in regional
24 approach such as the one recommended to the EPA,
25 by the NPRA and HEI would be a much more

1 cost-effective approach and would ultimately
2 revise sulfur levels similar to bills being
3 proposed by the EPA, but in a much more
4 reasonable time frame. It is apparent from your
5 proposal that you don't agree with this
6 approach.

7 I could spend time today telling you why we
8 think the regional phase-in approach is better,
9 why we feel the nation would be better off with
10 this more cost-effective approach and why it's
11 unrealistic to expect the industry to meet a
12 thirty parts per million sulfur level by 2004,
13 with technology that is still not being
14 commercially demonstrated. But you have heard
15 these arguments for the past year and a half.
16 Therefore I would like to spend the time I have
17 today to talk about two specific areas of great
18 concern to Citgo; and that is flexibility to a
19 Title 8 refinery turnarounds and the proposed
20 banking and trading program.

21 The first major area of concern that Citgo
22 has with the rules as opposed is turnaround
23 flexibility or lack of. A turnaround can be a
24 period of time where standard maintenance is
25 performed on a particular unit in the refinery,

1 the integral bearing based on the type of
2 processing unit. The unit has to be shutdown to
3 do work that would be infeasible or hazardous if
4 the unit was still running. In addition, it is
5 necessary on desulfurization units they have to
6 have a catalyst change-out at least biannually
7 that would require the unit to be shut down.
8 These are absolutely necessary to keep these
9 units running efficiently.

10 Citgo operates three major refineries and
11 is a joint venture partnership with Ford. If
12 the rule is proposed, we don't see how we will
13 be able to economically and efficiently perform
14 maintenance turnaround on our major
15 desulfurization units at our refineries and
16 still bin gasoline under the eighty parts per
17 million cap. The same is true of unscheduled
18 outages that may occur. Just as an example, at
19 our Lake Charles, Louisiana refinery, without
20 some relief on the cap, during scheduled
21 maintenance or unscheduled down time, we will be
22 forced to spend unnecessary capital to build
23 redundant hardware in order to keep our refinery
24 running while our and gasoline hydros are down
25 for catalyst change and maintenance for

1 operational problems. The other option is to
2 shut our refinery completely down during the
3 down time. This is not cost efficient, but
4 neither is building spare capacity.

5 The designing equipment that can't tolerate
6 a shut down, the standard velocity is to build
7 two units, each of which have two-thirds of the
8 needed capacity. Both units normally operate at
9 a turn-down rate. When a shut down is reported
10 on one of the units, the other is running full
11 rate and effective up stream and down stream
12 refinery units are cut back two-thirds capacity.
13 Thus, there is a capital and a process penalty
14 associated with the gap. The gap will require
15 for this dual unit approach is roughly sixty
16 percent more than that required for one hundred
17 percent capacity unit. I doubt if these
18 additional costs were built into your cost
19 estimate, but they are real.

20 This problem exists at all of our
21 refineries and I would imagine that most other
22 refiners are faced with the same dilemma. This
23 means that if a number of refiners are faced
24 with -- a number of refiners can't justify
25 spending capital for redundant hardware, we

1 could have a situation where multiple refineries
2 in the system could be down at the same time on
3 a too-frequent basis. If you rely on past
4 history, this will certainly lead to supply
5 shortfalls and price hikes whenever this
6 happens.

7 A potential solution to this problem is to
8 expand the banking and trade concept to allow
9 each refinery an expressed number of dates per
10 year to handle down times, without having to
11 adhere to the very restricted cap. The deemed
12 necessary and relaxed cap could be enforced
13 during this time period to ensure that sulfur
14 levels didn't exceed a maximum level. Another
15 approach would be to do away with caps entirely
16 and allow an averages, which is a measure of
17 emission benefits. I realize this just makes
18 down stream enforcement more difficult, but it
19 would save the consumer both money and
20 aggravation due to the supply shortages and
21 resulted price hikes and would revise the same
22 emission benefits at a much lower cost.

23 Another area of concern is the banking and
24 trading program as it currently proposed. We
25 degree literally with the program in its current

1 form. The combined interim caps and averages
2 and short periods to generate early credits are
3 so restrictive that we don't feel that it
4 provides us with any flexibility or relief from
5 having to have all our hardware on the ground by
6 the fall of 2003. Modifications to the program
7 that would lengthen the phase-in time period and
8 relax the sulfur levels required for the cap and
9 corporate averages would be a step in the right
10 direction.

11 This may allow refineries or several
12 refineries to make a phase-in investment or even
13 make operational adjustments in some of its
14 refineries in order to get down below the
15 hundred and fifty ppm sulfur level and generate
16 early breaks. This could, in some cases, delay
17 the more expensive major capital investment by a
18 year or two. This can happen only if the
19 corporate averaging cap can be set at the
20 reasonable level in 2004 and not bring it down
21 the following year.

22 As we demonstrated in the NPRA and API
23 sulfur proposal, the major jump in cost to these
24 sulfurized gasoline occurs around a hundred and
25 fifty parts per million sulfur level in order to

1 get down to the lower sulfur levels being
2 proposed. If refiners are forced to go to a
3 lower corporate average and cap at 2004 and even
4 lower in 2005, then the banking and trading
5 program simply doesn't work, at least for Citgo
6 it doesn't. By delaying the lower sulfur level
7 by a year or so, it improves the chances of
8 everyone being able to take advantage of the
9 most cost-effective and cost-efficient sulfur
10 reduction technologies and revision to time
11 problems involved with permitting these
12 projects.

13 In closing, Citgo encourages you to
14 strongly consider the NPRA and API proposal.
15 Look at the cost effectiveness between the two
16 proposals and avoid high cost to consumers that
17 are not necessary, along with the potential for
18 gasoline supply problems. At the very least,
19 let's work together and call for a program that
20 will allow flexibility for maintenance
21 turnaround and unplanned outages and not result
22 in redundant capital. Let's design a banking
23 and trading program that accomplishes what you
24 want, a smooth transitions at a lower sulfur
25 level and one that allows refineries to take

1 advantage of the most cost-effective technology
2 while avoiding a permitting down time.

3 Thank you for your time and I appreciate
4 the opportunity to express Citgo's concerns and
5 recommendations regarding EPA's proposed
6 gasoline sulfur rule.

7 MS. OGE: Thank you.

8 Ms. Michele Artz.

9 MS. ARTZ: Thank you.

10 My name is Michelle Artz, and I am a
11 conservation organizer with the Sierra's Club
12 Global Warming and Energy Program, in
13 Washington, D.C. On behalf of our more than
14 five hundred thousand members, I appreciate the
15 opportunity to testify here today on the EPA's
16 low sulfur fuel and the Tier 2 auto pollution
17 proposal.

18 Like many others here today, I'd like to,
19 first, applaud the proposal that you performed,
20 but also emphasize several key areas where we
21 believe that the standards could be improved.

22 One of the first areas that I would like to
23 discuss is the low sulfur gasoline portion of
24 the rule. First, let me say that we believe the
25 EPA is taking the right course by setting

1 standards for both vehicles and fuel in this
2 process. As you know, we cannot have the
3 cleanest vehicles if the gasoline used to fuel
4 them is high in sulfur content. The Sierra Club
5 strongly supports the proposed national sulfur
6 standard of an average of thirty parts per
7 million.

8 However, we're concerned and we really hope
9 the EPA will not cave into pressures from the
10 oil industry to adopt a regional approach and we
11 feel that this simply won't work. A national
12 standard is essential. The air in western
13 cities is already unhealthy to breathe and many
14 of these cities are growing rapidly, meaning
15 more cars and trucks on the road and more
16 pollution.

17 Moreover, a regional approach simply won't
18 work in a mobile society. A regional approach
19 would not protect the pollution control
20 equipment of vehicles that travel to and refuel
21 in states with high sulfur gasoline. Americans
22 that travel to the west will return home with
23 damaged catalysts, causing their vehicles to
24 pollute more in their home states for many years
25 to come.

1 It is clear that a regional standard would
2 devalue the health and environment of one part
3 of our country while investing in another. The
4 truth is that all Americans, regardless of
5 region, deserve clean fuel and the cleaner air
6 it will promote.

7 And as you know, California has
8 demonstrated that thirty ppm sulfur gasoline
9 will cost no more than two cents per gallon, and
10 polls have shown that Americans are willing to
11 pay more for clean gasoline and I believe that
12 this is a priority of Americans and is the right
13 thing to do to ensure that we lower the sulfur
14 standard as you proposed.

15 We're also concerned with regard to some of
16 the flexibility that's given to the oil industry
17 within the proposal, particularly the three
18 hundred parts per million per gallon average
19 that's allowed in the early years of the Tier 2
20 program. We want to ensure that consumers'
21 investment in cleaner technology is protected.
22 Flexibility should not compromise air quality.

23 The next portion of this proposal I'd like
24 to discuss is cleaning up light trucks. The
25 Sierra Club believes that the EPA is taking a

1 critical step in establishing a set of standards
2 that apply to all passenger vehicles: cars,
3 trucks, minivans and pickup trucks. However, we
4 are concerned about three gaping holes in the
5 proposed Tier 2 rule. The first is timing, the
6 second is the specter of a technology review
7 that could further postpone the day when light
8 trucks will be as clean as cars and, finally,
9 we're concerned with a growing class of
10 passenger vehicles over eighty-five hundred
11 pounds that we feel the proposal does not deal
12 with at the moment.

13 As for the timing issues, Sierra Club
14 opposes the EPA's proposed delay in cleaning up
15 the heaviest and dirtiest light trucks, those
16 between six thousand and eighty-five thousand
17 pounds until 2009. Extending the compliance
18 deadline for these vehicles just means more
19 pollution for our children. Because of this
20 delay, super-polluting SUVs, like the Chevrolet
21 Suburban and the Ford Expedition, could still be
22 polluting three times more than the dirtiest
23 Tier 2 vehicles until 2009. Moreover, these
24 SUVs will be on the road for ten more years.
25 The sooner these vehicles meet the standards,

1 the cleaner our air will be.

2 It is also important to note that, while
3 the EPA should be applauded for addressing the
4 air pollution loophole, the loophole allowing
5 light trucks to guzzle gas and spew out far more
6 global warming pollution than cars still exists.

7 The second aspect I'm concerned about is
8 the technology review. We're also strongly
9 opposes the proposed technology review which the
10 auto industry seems to believe is necessary to
11 assess "difficulties" in compliance,
12 particularly for vehicles in the six thousand to
13 eighty-five thousand pound category. Ford's
14 recent announcement that it is cleaning up
15 emissions from its pickups, and its prior
16 decision to clean up SUV emissions, shows that
17 technology exists to produce cleaner cars, even
18 with dirty gasoline that we have today. Ford
19 should be commended for its action, which it
20 estimates will cost only one hundred dollars per
21 vehicle. The question for the other auto makers
22 should be why aren't they following Ford's lead.

23 A study conducted this year for the MECA,
24 the Manufacturers of Emissions Controls
25 Association, provides further evidence that

1 ample technology exists for auto makers to meet
2 Tier 2 standards. As you know, researchers at
3 the Southwest Research Institute were able to
4 make adjustments to a 1999 Chevrolet Silverado
5 that allowed it to meet the proposed standard of
6 0.07 grams per mile NOx even at one hundred and
7 twenty thousand miles. The Silverado is not a
8 small vehicle. It has a V-8 engine and weighs
9 more than six thousand pounds. This study was
10 conducted using today's technology and today's
11 California gasoline with thirty-eight part per
12 million sulfur content. Car companies
13 themselves could likely achieve even better
14 reductions with access to the vehicle's
15 proprietary software, access that researchers in
16 the MECA simply did not have.

17 The EPA proposal would allow car companies
18 ten years to meet this standard and would in
19 fact allow them to certify vehicles such as this
20 to a much weaker standard of 0.2 gpm NOx at one
21 hundred and twenty thousand miles, providing the
22 fleet average meets .07 gpm NOx. The MECA study
23 and Ford's promised reductions demonstrate that
24 the technology already exists to make Tier 2 a
25 reality and demonstrates that the technology

1 review is unnecessary.

2 Bids for technology review are simply an
3 excuse for the auto industry to stall in
4 providing Americans with the clean cars and
5 cleaner air that they deserve.

6 In addition to closing the light-truck
7 loophole, the EPA must apply the Tier 2
8 standards to the super-heavy SUVs, those over
9 eighty-five hundred pounds, such as Ford's new
10 Excursion, or as we at the Sierra Club know it,
11 the Valdez. Excluding these giant new passenger
12 vehicles from Tier 2 means ignoring the air
13 pollution problems represented by this new and
14 possibly likely growing sector of the market.
15 The exemption might also provide a perverse
16 incentive for auto makers to up the weight of
17 their vehicles in order to escape the Tier 2
18 program. It's worth noting that this kind of
19 "weight creep" also exempts vehicles from CAFE
20 standards, currently in place, additional
21 incentives to make these larger vehicles. The
22 EPA must remove these dangerous incentives
23 toward super heavy vehicles by applying the Tier
24 2 standards to all vehicles, regardless of
25 weight.

1 I'd like to finally talk about diesel
2 vehicles. The Sierra Club strongly supports
3 EPA's decision to issue fuel neutral standards.
4 Unfortunately, right now we feel that these
5 standards are only fuel neutral on their face,
6 the details of the program reveal special
7 consideration was given to diesels. The
8 dirtiest two bins in the Tier 2 program are not
9 necessary for gasoline engines. By including
10 them in the Tier 2 program, the EPA will
11 encourage the deployment of diesel engines,
12 particularly in SUVs. These diesels would be
13 cleaner than today's engines, but not as clean
14 as gasoline engines can be under Tier 2.

15 Diesel exhaust is toxic and has been
16 identified as carcinogenic. The Tier 2 program
17 should not encourage the use of engines whose
18 emissions pollute our air and directly threaten
19 public health. Auto makers hope to use diesel
20 engines in SUVs in an effort to comply with the
21 existing low fuel economy standard for light
22 trucks. In addition, the Partnership for a New
23 Generation of Vehicles is relying on
24 diesel-based technology. It should surprise no
25 one that the auto makers are firmly behind

1 standards that accommodate diesels. But this
2 compromise with Detroit compromises public
3 health.

4 The EPA can and should tighten up the Tier
5 2 program to ensure that if the auto makers use
6 diesels, they must be clean as gasoline engines.
7 The EPA must close the door on diesel vehicles
8 that can't be as clean as gasoline vehicles.

9 The Advance Notice of Proposed Rulemaking
10 on diesel fuel quality, which was released by
11 the EPA in conjunction with the Tier 2 proposal,
12 will be an important tool for cleaning up
13 diesels. We applaud the EPA for taking on this
14 next challenge, and look forward to working with
15 the agency toward the day when America will have
16 both low sulfur, clean gasoline and diesel fuel.

17 In summary, the Sierra Club commends the
18 EPA for the proposed national sulfur standard
19 and the Tier 2 program it has put forth.
20 Together these standards will reduce
21 smog-forming pollution and reduce soot and other
22 air problems. The EPA's program would be
23 improved, however, by speeding up the phase-in
24 of the sulfur standard, closing the light truck
25 loophole by 2007, refusing the technology

1 review, addressing the super-heavy SUVs, and
2 dropping the two dirty diesel bins in the Tier 2
3 program.

4 We look forward to working with EPA to
5 improve the proposed standards and to the
6 issuance of the final rule by the end of this
7 year.

8 And just in closing, I wanted to mention
9 that in spending time here in Atlanta, in
10 preparation of these hearing, I've met a lot of
11 people who this issue speaks to from the heart,
12 reaction from people on the street, people who
13 might have heard me talking and came up and
14 said, yes, the EPA really needs to hear about
15 this; we can't breathe here, we have a real
16 problem. I feel that when an issue penetrates
17 just people on the street who happen to hear
18 someone talking as they're walking by, it really
19 indicates the need for action. And I strongly
20 support your efforts in Tier 2.

21 Thank you.

22 MS. OGE: Thank you.

23 Ms. Janice Nolan.

24 MS. NOLAN: Thank you. I'm Janice Nolan,
25 with the American Lung Association for the city.

1 I won't take too long. I just want to restate
2 briefly some of things that our association,
3 applauds and are concerned about Tier 2
4 standards.

5 One thing I would like to say is, I
6 appreciate what I'm reading in EPA's document
7 about the idea that we're trying to be more
8 concerned about what the emissions are and
9 process of getting to them. The flexibility can
10 be important, but the concerns we have are that
11 there are things that we are seeing that the
12 proposals could be immediate in the year 2004
13 relief. And we're concerned about the
14 phasing-in of things that are unnecessarily
15 extended.

16 One of the things that we're appreciative
17 of is the fact that you're treating SUVs and
18 minivans like passenger cars. I come from a
19 group of people who can understand equity in
20 things like, that with these vehicles -- They
21 don't understand now, oftentimes, people who
22 drives these cars, that they are so much more
23 polluting than they are. I think that in many
24 cases many of them would take a second look at
25 it. And they like the idea. Our studies are

1 showing clearly, our polls show, that nine out
2 of ten Americans when asked this question said,
3 no, this is nuts, of course, SUVs and minivans
4 should be under the same standards as passenger
5 cars, this is crazy. And I'm asking them more
6 about their pocketbook issues, eighty-three
7 percent said, absolutely, we would be willing to
8 pay the money required to make this change
9 happen.

10 One of the things that I learned recently
11 was the study that was done after the 1996
12 Olympics here in Atlanta, it's probably come up
13 before. But the numbers were overwhelming to
14 me, the idea that when a city shut down its car
15 use, when it reduced its car use enormously to
16 take advantage of this one opportunity, the
17 unique opportunity to have the world in Atlanta,
18 and knew that the traffic problems were going to
19 be enormous and so resorted to changing their
20 minds about transportation and used public
21 transit, that we saw immediate and direct
22 response to health issues, that we saw an eleven
23 to forty-four percent decrease in pediatric
24 admissions in the emergency room for asthmatic
25 children. This is the kind of thing that

1 demonstrates to us clearly that as soon as we
2 can get these things into place, we will see
3 benefits. As soon as we can get these lower
4 sulfur gasoline bins, we can see benefits.
5 Because it's effecting not only the new cars,
6 not only the SUVs, but also the cars that I
7 drive and the cars that are driven in counties
8 where they're not in non-containment. It can
9 help the entire three hundred thousand people
10 who have asthma.

11 We have estimated that in national, we're
12 looking at somewhere in the neighborhood of an
13 equivalent emissions reduction over maybe two
14 hundred and seventy-four thousand cars; in
15 Memphis, removing two hundred and eighty
16 thousand cars.

17 The delays have a real cost. As long as we
18 delay, if we continue to put these things off or
19 phase them in slowly, we are paying a price.
20 And the people who are paying the price are
21 children with asthma, are seniors, are the
22 elderly with emphysema, people are our most
23 vulnerable and need the most protection. And
24 immediate relief can be had with the immediate
25 implementation of these provisions.

1 We're very concerned about the 2004
2 technology review for the same reason that the
3 Sierra Club is concerned. We think that this is
4 not necessary unless you're looking at seeing if
5 we need tighter standards, similarly the way we
6 do reviews for the ozone standards or the
7 particulate standards, making sure that what
8 we're doing is currently protecting human
9 health. Those should be the driving guidelines
10 for what we do and to have as they have been for
11 what EPA's done in the past.

12 And finally, I would like to say that we're
13 wanting to make sure that EPA considers and adds
14 increased incentive for technology advance. One
15 of the things that has been, I think, the most
16 obvious result of the standards is that EPA's
17 studies are marked higher and industry keeps
18 reaching it. I think that the remarkable thing
19 that we've been able to do is to challenge the
20 industry. But it is the impetuous that has lead
21 us to where we are today. And I encourage EPA
22 to continue to include and to review these
23 standards to include additional incentives that
24 could be pushing and setting that envelope a
25 little bit further, setting that envelope a

1 little bit higher, so that we continue to see
2 increased development in alternative
3 transportation, battery-powered electric
4 vehicles, things that are -- we have now because
5 places like California has set the mark higher.

6 Thank you very much.

7 MS. OGE: Thank you.

8 Mr. Wynn, thank you for your testimony. I
9 thought I heard you making two specific
10 suggestions that you recommend in proceeding
11 forward: one was in the area of turnaround
12 flexibility or lack of it, as you are calling
13 it; and the other one is the proposed APT
14 program that the agency move forward. I would
15 appreciate it if Citgo would provide us more
16 details with recommendations.

17 MR. WYNN: We plan to so. We're working
18 that as a corporation and also through the Trade
19 Association to be more specific on the comments
20 I made. I just wanted to kind of raise the flag
21 that these were the two areas, from our
22 standpoint, that we needed some relief on.

23 MS. OGE: Let me thank all of you for
24 coming here, especially the volunteers, for
25 taking their own time to come and speak to a

1 bunch of bureaucrats from Washington and tell us
2 what's going on in Atlanta. We really, really,
3 appreciate your interest in this program.

4 Thank you.

5 Is Mr. Dennis Hopper here?

6 (No response).

7 MS. OGE: No. Okay.

8 Mr. Foster McCaskill, Mr. Tom Enright, Dr.
9 Varanda Divgi, Mr. Eric Lofton and Dr. Erica
10 Frank. Anyone here that would like to testify?
11 Not for the second time.

12 (Whereupon, a discussion ensued off
13 the record.)

14 MS. OGE: Please state your name.

15 MR. McCASKILL: My name is Foster
16 McCaskill, and I've heard the many benefits to
17 the EPA standards. But the flip side of the
18 coin is the average working man like myself that
19 depends on these bigger sized vehicles, these
20 suburbans, these pickup trucks. I, myself, own
21 a fleet of like ten vehicles and out of the
22 fifty percent, might be pickup trucks and the
23 other fifty percent are big haul capacity
24 trucks. These trucks are used every day for my
25 business. I run fifteen men. So my livelihood

1 and the livelihood of my men and their family is
2 at stake. So for me, this is a very important
3 issue as to the freedom of choice of the
4 vehicles that I want to choose, vehicle of
5 business, freedom of speech, these are all
6 issues that we as Americans, meaning myself,
7 African-American, to get this level of not
8 having the freedom of vehicles is a very, very
9 serious issue.

10 So I'm going to give written testimony. I
11 haven't had the time to weight all the facts of
12 what the EPA is going to do as far as the Tiers,
13 but I know it involves my freedom to choose the
14 type of vehicle for the next ten years that I
15 want to produce for my family and my business.

16 MS. OGE: Thank you.

17 MR. ENRIGHT: My name is Tom Enright, and
18 I'm speaking today on behalf of the over six
19 hundred members of the Georgia Coalition for
20 Vehicle Choice. Our members, which include
21 such organizations as Chambers of Commerce
22 throughout the state recreation groups such as
23 boating groups, camping groups, businesses,
24 other small business owners, consumer groups,
25 public safety organizations, such as police

1 departments and volunteer fire departments,
2 particularly, and many others are interested in
3 preserving Americas right to have safe and
4 affordable transportation, transportation that
5 meets their needs.

6 Like most Americans, CVC members are
7 concerned about the environment. We're
8 concerned about preserving and improving our
9 quality of life. We're concerned about the
10 quality of air we breathe. We're also concerned
11 about preserving our personal mobility, along
12 with developing public policies to address the
13 energy and environmental concerns. We believe
14 the government also has an obligation to protect
15 the mobility of Americans and the needs of car
16 and truck users for vehicles that give safe and
17 efficient, affordable transportation.

18 The EPA's new emission proposal may have
19 and certainly will have some environmental
20 benefits. I'm not here to say how much because
21 I think that still depends on how this whole
22 issue plays out. But they raised concerned
23 about those people who rely on those vehicles
24 and who must pay the bill for new government
25 relations.

1 If it's alright with you folks, I would
2 just like to submit the remainder of my
3 testimony and maybe just make a few additional
4 comments based on some of the things I heard
5 today.

6 In my past life, I spent almost thirty
7 years with the National Highway Traffic Safety
8 Administration, the last ten of those as a
9 mutual administrator for the Region 4, in the
10 new federal building, one floor above the EPA.
11 I spent the last thirty-five years in the
12 highway safety business, which is a public
13 health business because we're concerned about
14 mobility and mortality. We're concerned about
15 injuries and death. We see injuries and death
16 as a result of reductions in motor vehicle
17 crashes go down significantly since I got in the
18 business. What does this got to do with what
19 we're talking about today? Well, in my career
20 I've had the opportunity of -- although my wife
21 says I was serving a sentence -- of being in our
22 Washington office for a few years. I had an
23 opportunity to be involved in the rulemaking
24 process which we issued a lot of good rules that
25 effect the state highway safety operations as

1 well as motor vehicle manufacturers. I had the
2 opportunity to conduct hearings and I don't envy
3 the job that you folks have to go through now,
4 because I know it's a thankless job that
5 involves countless hours and you're never going
6 to satisfy everybody. I recognize that. But I
7 also recognize that when we're developing public
8 policy, we've got to do our hardest to bring all
9 the players to the table.

10 I got concerned as I was sitting here
11 listening today, I got concerned with people who
12 were referring to drivers of SUVs, just in the
13 last few minutes, as that uneducated public.

14 I happen to have four kids and ten
15 grandchildren, three girls and a boy. All of
16 them have either SUVs or vans. And they can all
17 give you very legitimate reasons why they have
18 these kinds of vehicles that range for needing
19 them for work, to taking the kids the soccer
20 games, to all of those things that people are
21 using these vehicles for.

22 I heard earlier today that these things are
23 nothing more than the station wagons of the
24 '90s. You're right. We accept that. You're
25 absolutely right. That don't make them bad.

1 Because if we think back to what happened when
2 we got the original CAFE standards, we saw
3 vehicles downsize and the station wagons went
4 away. This unwashed, uneducated consumer
5 decided that they still wanted something like
6 that, so they voted with their wallets. And now
7 we have a infiltration of SUVs and large
8 pickups. Whether we like it or not, they're out
9 there.

10 Woman particularly tell us that they like
11 the SUV because they're riding higher, they can
12 see better. They like the SUV because it gives
13 them a greater mass of protection around them so
14 that they're safer than the passenger
15 compartment. We could debate that, but that's
16 the perception.

17 Because sometimes we overstate the issue,
18 every time there is a newspaper article that
19 says SUVs are killing people because they're so
20 big they run over small cars, you know, SUV
21 sales go up because people don't want to be in
22 the unsafe vehicle.

23 I read a thing the other day in the New
24 York Times, somebody called emphasis on a column
25 in the New York Times, in which he said, "Those

1 who connect the," quote, I'm quoting now, "sin
2 of driving the SUV are driving straight to
3 hell."

4 A few years ago I coached a basketball
5 team. We took them to games in a van. I didn't
6 know that by taking my kids to basketball games
7 in a large van was going to be lead to the road
8 of eternal provision.

9 The point that I'm trying to make here is that
10 we need to start talking to one another. I heard
11 other people who represent the other side, if you
12 will, say, well, those tree huggers. As long as
13 we're calling one another names, we're not going to
14 get anywhere. We're not going to get anywhere.

15 Recently -- Not recently, I should say a
16 few years ago, a college professor of mine said,
17 "You know, the biggest sin, the curse of
18 humanity, is that somebody always needs somebody
19 who's nobody." And I've heard some of that
20 today and this concerns me. This isn't the way
21 we need to establish public policy. We need to
22 bring everybody to the table. We need to
23 recognize their concerns. And they might not be
24 things that we agree with, but we need to at
25 least sit down and listen and compromise. Do we

1 need lower sulfur? Sure, we do, absolutely. Do
2 we need a vehicle that emits less tailpipe
3 emissions? Absolutely. Are these standards the
4 one that's going to meet them? I don't know. I
5 think they can go a long way, but I think there
6 is room for people of good will to take a look,
7 for example, at the 2004 reassessment to see
8 whether the technology is there. It's easy to
9 say, sure, it's in the laboratory.

10 I did that in a time when none of you would
11 remember. In the late 1970s, we produced a
12 research safety vehicle laboratory, with
13 off-the-shelf technology. Some of that
14 technology is yet to be used in the
15 manufacturing of vehicles today, even though
16 they are many, many times safer than they were
17 then because part of that technology could not
18 be put into mass production of the marketplace
19 at a reasonable price so the consumer could
20 afford it.

21 All of these things I think are important
22 to consider: cost effectiveness, oftentimes we
23 have to save us from our friends. Quick
24 example, we used to always get pushed to issue a
25 national standard to have seat belts in school

1 buses. The political smart thing to do, the
2 easiest thing to do, was to say, okay, we'll
3 mandate school buses -- seat belts in school
4 buses. The fact of the matter is, that that's
5 not what we would have saved according to our
6 research, one life a year and a few dozen
7 injuries. Those same resources could be used in
8 other ways to save a heck of a lot more children
9 than that. We took the hard-stance and took a
10 lot of political heat. We said it just is not
11 cost effective.

12 I think it behooves the EPA to look harder
13 at people like Mr. McCaskill, people like that
14 homebuilders you heard today. Yeah, I
15 understand that HEI has produced their vehicle
16 that they say can meet EPA standards. I don't
17 doubt that. I don't know whether they can do it
18 in mass production. I don't know.

19 But I get concerned for these small
20 businessmen who normally never get heard. But
21 now is the opportunity for us to bring everybody
22 to the table, including that consumer who is not
23 unwashed, who is not uneducated, who oftentimes
24 votes with his wallet, and we better take their
25 concerns into consideration in establishing

1 public policy.

2 I appreciate the opportunity to be here
3 today. Thank you.

4 MS. OGE: Thank you. I understand that
5 Mr. Bob Wilson is here with us. If you can state
6 your name for the record and the affiliation of
7 the organization you're with.

8 MR. WILSON: Bob Wilson, I'm the southeastern
9 region director for the National Safety Council.

10 MS. OGE: Please go ahead.

11 MR. WILSON: I wish my -- Like Tom was just
12 here. I wish I had had an opportunity to be here
13 a greater portion of the day and heard other
14 testimonies. So I'm sure some of my comments
15 will have already been stated. But I'm really
16 here today representing -- maybe wearing three
17 different hats, obviously in one part with the
18 National Safety Council. Nationwide we have
19 over eighteen member organizations. I'm not
20 speaking on behalf of all eighteen thousand
21 obviously. But we do have a larger percentage,
22 specifically here in Georgia, that I will make
23 some comments on behalf of. I'm also speaking
24 on behalf of numerous friends who have relations
25 that have shared with me different concerns; and

1 then lastly, speaking personally, as one who
2 drives a full-size pickup truck. So I have that
3 point of view also.

4 I know EPA has been very proud, obviously,
5 in coming up with their Tier 2 recommendations
6 of their Tier 1 accomplishments. And from a
7 lower emissions point of view, then, yes, I
8 share that. But I think as Tom just mentioned,
9 I think the cost effectiveness is very
10 important. And I think one of those cost that
11 frequently is there is the human cost. Yes, we
12 have achieved lower levels and our automobiles
13 today are more fuel efficient. But to a large
14 extent, we've accomplished that by significantly
15 downsizing some vehicles in size. It's an
16 undisputed fact that smaller vehicles are not as
17 safe as larger vehicles. Physics doesn't lie.
18 The smaller vehicles have, the less space, the
19 passenger is just not as large in small vehicles
20 as it is for larger ones.

21 And I have a personal friend that just
22 three weeks ago was finishing up another
23 teaching year. She was looking forward to a
24 summer vacation and spending more time with her
25 daughter. And it's been about three weeks ago

1 now. She was involved in a car collision. It
2 was not her fault. She was wearing her seat
3 belt, her air bag deployed. Her upper body was
4 properly cared for. But because she was driving
5 a more fuel efficient smaller vehicle, it did
6 not have sufficient space and her legs were
7 crushed. Today she has steel pins in place and
8 screws holding her legs together. She may not
9 ever walk again and she may not be able to teach
10 next year in the fall. There is a human cost
11 involved in trying to come up with more
12 efficient vehicles with less emissions. We have
13 paid the cost through a lot of human suffering
14 and human life in achieving our goals that we
15 have achieved to this point. And I think it
16 would be a mistake not to consider those human
17 costs as we move forward in other endeavors and
18 certainly would apply as we move to larger
19 vehicles. And if we force individuals that are
20 currently driving large, full-size pickups into
21 larger vehicles because the current vehicle
22 would not have the power to achieve that task,
23 then we're asking for more highway fatalities
24 and injuries out there. So the human cost, I
25 think is something that definitely needs to be

1 considered.

2 I had another friend that is the owner of
3 an industrial tire facility here in the Atlanta
4 area, sells industrial tires throughout the
5 State of Georgia and around the southeast. He
6 has an entire fleet of heavy duty pickup trucks
7 that he uses to haul these heavy duty tires
8 around to his particular customers. If he were
9 unable to -- A less powerful vehicle would not
10 accomplish the task of hauling these large heavy
11 duty industrial tires to his customers. So he
12 would be left with basically two options:
13 either he would make double trips, which is
14 certainly less efficient and more polluting; or
15 he would have to buy larger sufficient vehicles,
16 neither one defeats the goal that we're trying
17 to achieve here.

18 We also offer here in the Atlanta area and
19 throughout the southeast numerous training
20 classes primarily geared to the construction
21 industry, primarily highway and bridge and
22 paving contractors. The majority of those
23 companies drive exactly the vehicle that we're
24 talking about here, the large full-size pickup
25 truck. They use it every day in their business,

1 pulling trailers, backhoes and other equipment.
2 They need that size and powerful vehicle to haul
3 their tools and equipment, building supplies.
4 We also have to use these large full-size pickup
5 with the extended cabs to haul crews around.
6 That's not uncommon to see a pickup truck with a
7 back seat full with crews there that are being
8 carried around. And again, if that vehicle was
9 not available, the construction jobs on highways
10 and bridges and paving groups could not be
11 accomplished efficiently and end up costing all
12 of us higher money in construction cost. And
13 again, their choices would be making more trips
14 or buying larger vehicles, both would defeat the
15 purpose of our goal here.

16 Just a couple of weeks ago, I was helping a
17 friend move. The same situation came up again.
18 Several of us with our pickup trucks were
19 helping and there were different size vehicles
20 there and it was very obvious soon in the move
21 that the larger pickups were carrying twice the
22 load that the smaller ones were. Again, if that
23 was unavailable, just the thousand of weekend
24 movers that we see just in the City of Atlanta
25 would be making twice as many trips in the

1 smaller pickups; or even worse, using larger
2 vehicles in our residential neighborhoods to
3 accomplish the moves that we as a society do in
4 helping our friends and neighbors out in a
5 pinch.

6 As Tom shared, I also have two family
7 members that are own suburban. They camp a lot
8 and they need the suburban-type vehicle and the
9 power it has to haul their travel trailers
10 around. And they have shared numerous stories
11 just in the north Georgia hills -- We call them
12 North Georgia Mountains, but compared to some
13 other parts of the country, what we have here in
14 North Georgia are just hills. But they have
15 shared horror stories of individuals trying to
16 use smaller powered vehicles to pull the campers
17 and get stranded on an incline in North Georgia,
18 tying up traffic for miles ending up ruining
19 their engines, their transmissions, because they
20 don't have sufficient power just to pull a
21 simple camper. Again, they could switch to
22 larger vehicles if forced to, but then our
23 states and national parks aren't geared to
24 handle it. If you pull a larger truck into a
25 state park, there's no place to park it. And

1 the camp ground roads are not designed and built
2 to withstand the wear and tear of the larger
3 vehicles put on them. So just the camping
4 community would be greatly impacted. And
5 personally, two family members who have suburban
6 would not have vehicles with sufficient power to
7 pull their campers.

8 I think it's really important that we don't
9 get the cart before the horse. I understand
10 there's been some other testimony that the
11 technology may exist out there. But I think we
12 need to be very careful that if we don't
13 establish rules for further reducing emissions,
14 until we can develop and improve the real-life
15 situation, that the technology is available
16 without reducing the power in the working
17 vehicles. We have a tremendous segment of our
18 economy, the true working America, that depends
19 on these vehicles day in and day out for their
20 driving ability. And I think it would be a big
21 mistake both from a financial and economic point
22 of view and also from a safety point of view if
23 we implemented rules prior to being fully tested
24 out and being sure that you could provide
25 sufficient power, towing, hauling capacity, to

1 these folks.

2 That concludes my comments. Thank you.

3 MS. OGE: Thank you.

4 Dr. Randall White.

5 MR. WHITE: Good afternoon, I'm Randall
6 White. I'm a Atlanta physician. I would like
7 to thank the EPA for proposing these regulations
8 and allowing the public to comment.

9 I remember in the spring and summer when I
10 was growing up in Atlanta, how the areas smelled
11 clean and fresh. It still does sometimes, but
12 more often I associate the air, especially in
13 the summer when it's hot, with poor visibility
14 and smog. My son doesn't have the same
15 experience that I once had.

16 But more importantly, all Atlantans are
17 subjected to unhealthy air during the summer.
18 And I think most people understand this now and
19 want to do their part. People who own SUVs and
20 light trucks are at a disadvantage because their
21 vehicles blew more than they should. And this
22 is really irrational, because in urban places
23 like Atlanta, these cars are now commonplace.
24 And I think they should not be exempted from the
25 emission standards that other cars have to meet.

1 Anybody that can afford an SUV can certainly pay
2 the hundred dollars extra it would cost for
3 cleaner technology, as I understand it.

4 Diesel engines are also a big concern
5 because of their particulate emissions.
6 Everyone can see the black sooty stuff that
7 comes out of these vehicles. And, of course,
8 these particles are injurious to our respiratory
9 systems and they may also cause heart damage.
10 And I urge EPA to require reduction in these
11 particular emissions.

12 Low sulfur fuels make a great deal of sense
13 to me because I don't want to damage my emission
14 equipment with the fuel that I have to buy. And
15 I think this rule should be available everywhere
16 because we don't want our equipment to be
17 damaged when we have to travel to another state.
18 Polls show that consumers are willing to spend a
19 few extra pennies per gallon in order to have
20 cleaner skies.

21 And finally, I want to say that I support
22 the efforts of the EPA and I urge that the
23 regulations be consistent for all vehicles and
24 for all fuel types and that all vehicles -- or
25 requirements be phased-in simultaneously.

1 Thank you.

2 MS. OGE: Thank you.

3 Dr. Erica Frank.

4 DR. FRANK: Thank you. I'm Erica Frank.

5 I'm also an Atlanta physician and co-editor and
6 chief of the Journal of Preventive Medicine.
7 And as a specialist in preventive medicine, I'm
8 very lucky because I get to help patients help
9 themselves, such as heart disease. I can teach
10 them how to eat a more plant-based diet; whereas
11 if a smoker, I can help them overcome their
12 barriers to quitting. It's very gratifying to
13 see patients be able to take control over their
14 diseases.

15 But there is a cohort that I can't -- that
16 they can't take complete control; and that's
17 asthmatics. Every time that I see an SUV or a
18 truck belching smoke, I get frustrated for
19 asthmatics who want to take control of their
20 disease, but find it hard because our air
21 quality is poor. The asthmatics can control
22 their medications, but they can't control
23 vehicular emissions.

24 Now, obviously these excessive emissions
25 aren't just the fault of the drivers or the auto

1 manufacturers, folks who are buying SUVs for a
2 variety of reasons, as the gentleman speaking
3 earlier said. They don't buy a vehicle to
4 maximize the pollution that they emit per mile.
5 And obviously, also auto manufacturers don't
6 want to destroy the environment either, but
7 might find it financially difficult to justify
8 being cleaner sooner than their competitors.

9 I think that EPA and the country has the
10 opportunity to make it easier for drivers and
11 for manufacturers. I think if we require all
12 heavy vehicles to be cleaner now, rather than
13 later, that this is the right thing to do.
14 Let's not encourage the sale of ever larger SUVs
15 or diesel engines by giving these particularly
16 egregious polluters special benefits. Let's
17 level the playing field for the manufacturers.
18 Let's promote the development of really clean
19 personal and mass transportation and make it
20 easier for my patients to breathe.

21 Thank you.

22 MS. OGE: Thank you.

23 Ms. Laura Cordes.

24 MS. CORDES: Hi. I'm Laura Cordes. I work
25 with a non-profit, non-partisan group called the

1 Fun For Public Interest Research. And I know
2 you guys have had a very long day, so thank you
3 very much for letting me have the time to speak.

4 The organization that I work for helps
5 environmental citizen groups Organized
6 Grassroots Campaign. And what I do is go door
7 to door and talk to folks, so I thought you
8 might be interested in hearing the response from
9 the public. I think, one, that they're
10 delighted that the EPA is taking some great
11 efforts and some great strides towards in
12 cleaning up cars. People are definitely aware
13 of the problem. I'm based here in Atlanta, and
14 I want to tell you that two responses I get at
15 the door is that, one, you know, they'll tell me
16 something about someone they know with asthma.
17 The second thing that people commonly say is,
18 "Are you doing something about those SUVs" and
19 "Is the government doing something about it."
20 And they are delighted that, yes, we're setting
21 new standards for light trucks and SUVs. The
22 thing that shocks them though is that the
23 current proposal actually has a loophole, so not
24 all SUVs are covered. And that's something that
25 they want to see happen as well as myself.

1 They are also very concerned about the
2 fuels. And right now, there's a poll for sulfur
3 and gasoline. They want to be on the table,
4 certainly, but we're advocating that it should
5 be lowered to thirty parts per million. Low
6 sulfur gasoline needs to be adopted nationally
7 at the same time as the new emission standards.
8 I'm certainly willing to pay one or two cents
9 more and the public, the folks that I talked to
10 at least.

11 I have about two thousand postcards from
12 citizens in Atlanta and the national, the south,
13 that I'll be submitting, but folks are willing
14 to pay more when it will protect their public
15 health.

16 There really should be no special treatment
17 for diesel technologies. All vehicles,
18 regardless of engine technology or fuel use,
19 should meet the same public health related
20 standards. There doesn't seem to be any logical
21 justification for special treatment for the
22 diesel technologies, yet the Tier 2 proposal has
23 created two vehicle categories that would
24 currently allow diesel engines to pollute twice
25 as much soot as gasoline engines and up to ten

1 times as much smog-forming nitrogen oxide. And
2 given that the toxic likely carcinogenic nature
3 of diesel exhaust, the facts have proven that
4 there really should be no incentive to increase
5 the amount of diesel vehicles on the road.

6 Certainly, the Tier 2 proposal is a great
7 step in the right direction and one that the
8 public is definitely behind. But in terms of
9 the SUV vehicles and the diesel fuels, we want
10 to go a step farther. I've heard a lot today
11 about trying to compromise, and I feel that
12 we've been compromising the public health,
13 especially the children with asthma -- And I
14 think specialists have given you a stronger
15 picture of that, with the rates in the south,
16 and certainly hospitals and missed school
17 dates -- but I also want to make a point that
18 the SUVs that we're talking about, it doesn't
19 mean that we can't have large vehicles on the
20 road.

21 I've heard industries say that we must slow
22 down and we can't move that quickly, but I read
23 in the paper last week that the auto
24 manufacturers are moving very quickly to open up
25 new plants to build more SUVs. While they're

1 doing that, we want to encourage you to
2 implement the technology that we know is out
3 there and actually get the backing by the EPA to
4 actually demand that they do that; that all
5 SUVs, no matter how big, be included in these
6 new standards.

7 Thank you very much.

8 MS. OGE: Thank you.

9 I'd like to thank all of you for taking
10 time this afternoon to share your views with us.
11 We really appreciate it. Thank you very much.

12 (Whereupon, a discussion ensued off
13 the record; and the panel came before
14 the board.)

15 MS. OGE: Welcome. I'm sorry that we don't
16 have a room full of people to hear you, but we
17 are here and we're eager to hear your testimony.
18 And we'll start with Dr. Varanda Divgi.

19 Please go ahead and start.

20 MS. DIVGI: I'm a pediatric pulmonologist.
21 I'm been in Atlanta since 1981. The majority of
22 the patients are the children of over three
23 years, and then they are graduating in our
24 practice. So I've been dealing with asthma,
25 pediatric asthma, for a long time. Certain

1 things concern me right now. The treatment for
2 asthma has changed in the recent years. And
3 despite the good medications we have, our kids
4 are still sick. In fact, this winter,
5 fall-winter, was the worst year we ever had.
6 And we had had too many smog alert days. We
7 have had too many air quality questions also.
8 And the question is that, what are going to do
9 now? Because with new asthma, now there are
10 newer things coming on the front that only
11 managing asthma with the medication is not
12 enough.

13 Initially, a very long time back, people
14 were making the kids with asthma sit at home,
15 not let them play. And knowing the recent air
16 quality, I hate to see us going back to that.
17 Kids are very vulnerable for the air quality
18 effects, because they are in the early phase,
19 their airways are very small, their defense
20 system is really immature and we don't know the
21 long-term effects of it.

22 Most of the studies here, right in the
23 literature, are telling me what the acute
24 effects do. But I don't have -- Eighteen,
25 nineteen years of this, what is it going to be

1 like? You don't need to be smoking to have the
2 lung damage. We can be just breathing the air
3 outside.

4 And those are the concerns I have. Some of
5 the others mean not only having the good
6 medication and compliance and all those things,
7 we can see. But we fight with asthma as
8 all-around increasing in all parameters of this
9 life, low income, high income, race. Yes, the
10 air quality is poor, bad in other areas and all
11 that, but we are all seeing the effects of it.
12 And I'm just a little to concerned about it.
13 Yes, I'm a physician and, yes, it's a status
14 symbol. But they are increasingly coming out
15 and increasing in number and they are becoming
16 very popular and I'm concerned about it.

17 Roads in Atlanta have changed a lot. Roads
18 have become five and six lanes and still we are
19 stuck in the traffic. And that's really,
20 without change -- I've seen Atlanta change so
21 much. Yes, it's still a pretty city, but I'm
22 not sure it's a safe city anymore.

23 You can ask me any questions.

24 MS. OGE: Thank you.

25 Ms. Vickie Hamilton.

1 MS. HAMILTON: My name is Vickie Hamilton,
2 and I'm not an activist I guess until this
3 moment, now I am. I am a mom and audiologist
4 and I'm here because of two reasons: first, I
5 think about eight, nine years ago, I noticed
6 that my eyes were red and tired and irritated,
7 and I thought I was just getting old, I hit the
8 mid-thirties. And then I moved to Omaha,
9 Nebraska and they cleared up. And they were
10 great for the five years that I was out there.
11 And now that I've moved back to Atlanta, I've
12 began having trouble with my eyes. And I think
13 to myself, if it's effecting my eyes, how is it
14 effecting my lungs, how is it effecting the rest
15 of my health.

16 My second and more important reason perhaps
17 is, I have a ten-year-old who has asthma. And
18 when we were in Omaha, he would get one, maybe
19 two attacks a year. And he uses a little
20 inhaler and he was fine the next day, no
21 problem. Since we're back here in Atlanta, his
22 occurrences have occurred five -- four to five
23 times a year. When they're severe, he has to
24 stay home. I can't let him run and play. I
25 have to restrict him. And the pediatrician told

1 us as he got older, that his asthma would be
2 better. And so we thought he would just outgrow
3 it, and instead it's getting worse.

4 I at first thought, well, maybe Omaha just
5 doesn't have as many allergist or allergy-type
6 things. But actually that's not true. Atlanta
7 maybe be the number one city for allergy
8 problems, but Omaha is number two. And I really
9 do feel that it's due to the air. We live in
10 Decatur City, so we're not outside of 85, so we
11 do have more pollution in our area.

12 But those are my main concerns and it
13 concerned me enough to come down today to talk
14 to you.

15 MS. OGE: Thank you very much. I'd like to
16 thank both of you for taking the time.

17 Dr. Divgi, taking your time from your
18 practice and Ms. Hamilton, taking time from your
19 life and your family to come and share your
20 views with us.

21 This is our second public hearing. We're
22 traveling across the country. We have proposed
23 a set of regulations and we believe we've come a
24 long way for the future of air quality in this
25 country. And your comments and suggested have

1 been recorded and we will consider them as we're
2 moving forward to finalize this at the end of
3 the year. So thank you so much.

4 DR. DIVGI: I have a question.

5 MS. OGE: Yes.

6 DR. DIVGI: What's going to be done about
7 it after this?

8 MS. OGE: Basically, the process that we're
9 following, we're going to Denver, Colorado, next
10 week, and Cleveland. We're going to have the
11 same forum as we have had here today. Then
12 we're going back to Washington. We're going to
13 review the record. The record will be open
14 until August 2nd for additional written
15 comments. And we will revise the proposal the
16 way that we believe is appropriate that needs to
17 have any revisions. We will take it to the
18 Office of Management and Budget and the agency
19 review, that the other agencies will review our
20 final proposal. And at the end of the year, we
21 will finalize the proposal and it will be
22 implemented. Right now, based on the proposal,
23 it will be the 2004 time frame.

24 DR. DIVGI: Because I'm going from a
25 different prospective to this. We're supposed

1 to deliver the health when the fact is somebody
2 else's controls are not under -- We can't do
3 anything about it, but appear for the public
4 hearing like this. And those are the impact.
5 We're the people who lose the sleep at night
6 when the asthmatics come into the emergency room
7 or go to ICU and get admitted. And it is very
8 frustrating for us right now. So I would like
9 you to hear us at our level also. I mean, you
10 can give us all the guidelines, but I'm looking
11 at what's the bottom line of what's going to be
12 done?

13 MS. OGE: What the bottom line is that at
14 the end of the year we will finalize this
15 proposal. The bottom line is that we're going
16 to be reducing air pollution from cars and
17 trucks up to ninety-five percent from where they
18 are today. The result of that, with the program
19 implemented, it's going to be equivalent of
20 removing a hundred and sixty million cars from
21 the roads. You, by doing something like this,
22 the air quality of the country will benefit us
23 all.

24 DR. DIVGI: There is something that I did
25 not touch on. What's going to be done regarding

1 removal of the sulfur from the gas?

2 MS. OGE: Well, we have proposed to remove
3 sulfur down from three hundred and thirty parts
4 per million, on average, that it is currently in
5 the fuel down to thirty parts per million. And
6 as a result of that, obviously sulfur dioxide is
7 going to be reduced; but also very critical, the
8 sulfur level is going to be reduced in the
9 gasoline, so it's going to impact the catalyst
10 converters that are going to go on these new
11 cars. So then the cars will be able to perform
12 according to the standards.

13 DR. DIVGI: Because the way I look at it is
14 that California has stricter regulations, and
15 the people fight about it or resent it. But I
16 think it's the safety issue that comes in, then
17 why can't the other states be so strict about
18 it? Why is my state suffering from that?

19 MS. OGE: I believe the City of Atlanta is
20 moving forward with a cleaner fuel. I believe
21 the time to introduce cleaner fuel is early as
22 this year. So there are some states that are
23 moving forward beyond what the federal
24 government is doing, including your state.

25 MS. HAMILTON: Ms. Oge, is there anything

1 else we can do? From what I understand from
2 this morning, no. My ten-year-old was at the
3 press conference this morning. There is two
4 loopholes. I was thinking if there was anything
5 we could do to help close these up: one is that
6 the sport utility vehicles won't have to be into
7 standards until two years after everybody else.
8 And I believe there was -- oh, that we would
9 only use the gas without sulfur during the
10 summer months and not year-round. Those are two
11 issues that were brought up.

12 MS. OGE: The sports utility -- First, I
13 would like to answer your question what else you
14 can do. I think you've done enough by being
15 here and giving us your testimony. If you have
16 any additional issues to raise beyond what
17 you're doing here, you can do that and we will
18 give you the address to forward the information
19 today. We are going to keep the record open
20 until August 2nd of this year.

21 The two issues that you raised, just to
22 clarify for you, right now SUVs are allowed to
23 pollute three to five times more than cars.
24 Based on our proposal, we're going to reduce the
25 SUVs emissions by eighty percent, starting 2004

1 time frame. By 2007, we're going to reduce the
2 SUV levels by ninety-five percent. And at that
3 point, we will come to same level as cars.

4 As far as different sulfur levels for
5 winter and summer, we have not made that
6 proposal. Our proposal is a nationwide low
7 sulfur gasoline program, that will be an
8 all-year around program.

9 MS. HAMILTON: Thank you.

10 MS. OGE: Thank you both so much.

11 I would like to ask for Mr. Erin
12 Englebrecht. Is it Ms. Erin. I'm sorry. And
13 Dr. Lorne Garrettson.

14 (Whereupon, the panel came before the
15 board.)

16 MS. OGE: Ms. Englebrecht, we'll start with
17 you.

18 MS. ENGLEBRECHT: I came today to testify.
19 As a marathon runner, I am extremely concerned
20 about the health effects of air pollution. I
21 live here in Atlanta, and most always have to
22 prepare my running and schedule based on times
23 and day in the year when the air quality is
24 least unhealthy to breathe. And more
25 specifically, I'm restricted from running during

1 rush hour because of the increase in air
2 increase in air pollution and must limit my
3 running while outdoors during the summer.

4 I consider myself lucky that I do not have
5 asthma; but each and every time I run here in
6 Atlanta, I feel I am becoming closer to
7 obtaining asthma, of which I have several
8 friends of mine that have had in the past. And
9 I am living here in the Atlanta now, but I have
10 lived in other places throughout the country. I
11 grew up in southern California. I lived in Los
12 Angeles, the air quality is extremely severe
13 there. And I've also lived in Chicago, Illinois
14 and even in more rural areas in Maine. And I'm
15 still seeing the situation, I feel that the air
16 quality, whether it be from automobiles, power
17 plants, it is severe. And it's the same
18 situation, I'm always having to plan when I'm
19 running, where I'm running, non-traffic streets,
20 because of cars.

21 And I run to stay healthy and safe; but
22 ironically I feel that each and every time I
23 run, I'm becoming -- my lungs are becoming more
24 and more unhealthy. And I just do not think
25 that that's right.

1 And I feel that the EPA, and you all here,
2 can actually do something about that by issuing
3 the standards and strengthen the strongest they
4 can be without loopholes. Like what the woman
5 earlier was saying, in terms of the loophole,
6 with automobiles having to come to the standards
7 at the same time. I'm sorry. The sports
8 utility vehicles having the same standards and
9 having to meet that at the same time that cars
10 do, I think that's very important. And also I
11 urge them to eliminate the special breaks for
12 diesel vehicles and to actually adopt strong
13 incentives for them as well and adopt a
14 nationwide standard for low-sulfur gasoline and
15 also for all times of the year and not just for
16 the summer.

17 MS. OGE: Thank you.

18 Dr. Lorne Garrettson, good afternoon.

19 DR. GARRETTSON: Good afternoon.

20 I'm Lorne Garrettson, and like my colleague
21 at the table here, I, too, was born and raised
22 in Los Angeles. But I have lived in Atlanta for
23 some time now. I am a pediatric toxicologist.
24 I have spent my career dealing with
25 environmental toxins as well as the acute toxins

1 that pediatricians deal with.

2 Through my career, because primarily as in
3 the role of doctor at every place I have lived,
4 I have gradually moved my discipline view of my
5 practice into the now berthing discipline of
6 pediatric and environmental health or
7 environmental toxicology. And it is from that
8 vantage point that I have joined with physicians
9 for social responsibility which is the medical
10 group which has, for the last several years now,
11 identified children's environmental health as a
12 topic for their interest, scientifically and in
13 advocacy. And it is in that role that I come to
14 speak with you this afternoon.

15 First, let me say that I support and I
16 applaud the EPA for its actions in behalf of our
17 nation's children. The land-to-math mark
18 regulations that have come out two years ago,
19 for the first time setting non-industrially
20 based or environmentally-based, but health-based
21 regulations and using the appropriate members of
22 our society for that regulation, children. It
23 is an act of courage by the EPA; and I refer, of
24 course, to the new pesticide regulations on
25 food, that, I think, you have not, as an agency,

1 received the kudos from our society as you
2 should. And I honor the agency and its leader
3 doctor, Carol Brown, for those actions.

4 I applaud you also for -- understanding, as
5 I feel so many people don't, the silence that
6 has lead to these proposals of regulations that
7 you have made. There can be no compromise on
8 this. We are in the midst of an epidemic of
9 asthma that you have undoubtedly heard people
10 recognizing that epidemic all day as I know you
11 already know.

12 I tell my students -- I'm here on the
13 facility here at Emory. And I tell me students
14 that when I entered pediatrics, a child with
15 asthma under the age of one was considered
16 marked with this very severe case and we pulled
17 out all the stops, got all the consultants, and
18 so forth. Now a child with asthma under the age
19 of one is treated as just another case, they are
20 so common. The answer to the epidemic is not
21 clear. There is no single event. There is no
22 single cause. Of course some people come to
23 live with the genes to develop asthma and do so.
24 But the younger age, the greater severity, and
25 the increasing death rate of this illness has

1 caused us to substantially reassess where we
2 are. This is a disease now that is
3 multi-factorial surely. I do not believe that
4 any single action is going to solve our asthma
5 problem. But we must do all we can and all we
6 know because it's probably going to be in the
7 conglomerate that we begin to see our results.
8 That's my opinion.

9 You are probably more familiar than I with
10 the welter of studies that have looked at
11 outdoor pollution and asthma. We always must
12 look at asthma in two ways: one is, those
13 things that trigger an attack. But now we know
14 and now we fully believe that we almost also
15 must be looking at those things that cause the
16 disease, and this is something that has become
17 evident only in recent years. And we are now, I
18 think, talking about -- with air pollution,
19 about things that are clearly triggers that may
20 indeed, be etiologic for the disease for some
21 people or at least be a part of the etiology.

22 So my comment here is, I urge you the speed
23 in making sure that your regulations as proposed
24 get through and that I wish they could be
25 implemented more quickly.

1 And I also think that we must be asking
2 this nation, can we go on invading each other
3 space in the way that we're doing here? We have
4 laws that prevent us from going on to our
5 neighbor's property and shooting him for
6 destroying his property. But here we have a way
7 at which we can attack each other and there is
8 no law against it. And that bothers me
9 enormously that we can invade each other's space
10 in such an impressive way with the thing that we
11 can create that harm each other. And of course,
12 the people we're harming are our little
13 children, and that's the thing that I have to
14 see on a daily basis as though -- as the last
15 pediatrician that was up here. And it just --
16 This is a moral wrong that we must learn, so
17 there is no correct moral right here, but we
18 must learn as a society to be kinder to each
19 other.

20 MS. OGE: Thank you.

21 Mr. George Waring, good afternoon.

22 MR. WARING: Good afternoon.

23 MS. OGE: Did you need a few seconds to
24 finish?

25 MR. WARING: No. Yeah, I'm all done.

1 I would also like to voice my support for
2 cleaner air, and the EPA's proposal to cut auto
3 emissions. I am concerned about the health
4 impact of air pollution, the impact that air
5 pollution has on our health.

6 Like Ms. Englebrecht, I also feel the
7 effects of increased air pollution during
8 exercise; however, I am an asthmatic. My
9 condition is absolutely irritated during times
10 of heavy traffic; and as a result, I have to
11 carefully plan my activities around heavily used
12 roads and I am finding fewer and fewer roads
13 that I can actually use. In fact, recently, my
14 running has become limited to parks. I have two
15 close friends in their mid-twenties that have
16 been recently been diagnosed with asthma who
17 live in Atlanta.

18 The proposal is a great start to addressing
19 this issue by the EPA. But passenger vehicles,
20 including minivans and SUVs should meet the same
21 standard at the same time. Finally, the EPA
22 should do more to get advanced technology
23 vehicles on the road.

24 Thanks.

25 MS. OGE: Thank you.

1 I would like to thank all of you for coming
2 here this afternoon. I understand the weather
3 is pretty bad outside.

4 DR. GARRETTSON: We needed it.

5 MS. OGE: We do appreciate your interest in
6 this problem. And we do appreciate the words of
7 support and encouragement. Thank you very much.

8 Ms. Kimmy Phan.

9 (Whereupon, Ms. Phan came before the
10 Board.)

11 MS. OGE: Good afternoon.

12 MS. PHAN: Good afternoon. How are you?

13 MS. OGE: Fine, thank you.

14 Could you please state your name for the record.

15 MS. PHAN: My name is Kimmy and I came
16 today just to give testimony. It's great that
17 you guys have the EPA proposal for cleaner air,
18 and I'm here today to vote my support for
19 cleaner air, definitely, and to support the
20 EPA's Tier 2 proposal because of the air's
21 pollution.

22 I'm greatly concerned with the health
23 impact that automobiles have on our health here
24 in Atlanta City. I've been campusing for about
25 a month and half. I've been talking to a lot of

1 folks here. And they are very surprised to
2 learn that SUVs are allowed to pollute three
3 times as motor vehicle cars. So therefore, I'm
4 here today to say that the EPA proposal is a big
5 step in the right direction.

6 But there are three things that I think
7 must be improved in order to -- important to
8 work more efficiently; that is, making sure that
9 all the passenger vehicle cars meet the same
10 standards, including the minivans and the SUVs
11 meet the same standards at the same time. And
12 also, the heavier SUVs should not be given more
13 time or special treatment for it to get more
14 time for it to clean up. And also, the second
15 thing is that they should not be a special case
16 for those -- we should not give an extra time
17 for those dirty diesel vehicles. Finally, I
18 just want the EPA to spend more time to put more
19 advanced technology vehicles out there on the
20 road.

21 The last thing I want to say is that I've
22 been running for every university -- and I've
23 been a runner for almost six, seven years of my
24 life, and I see the quality air change
25 drastically in, especially in the summer, with

1 the smog alert days.

2 And I think it's great that you guys are
3 doing that, if you can just improve the
4 breathing, and that I have mentioned, that would
5 be awesome. And we really need the strongest
6 possible regulations of the pollution out there.

7 That's all I have to say.

8 MS. OGE: Ms. Pamela Perry, good afternoon.

9 MS. PERRY: Good afternoon. Sorry.
10 Traffic was pretty bad.

11 My name is Pamela Perry, and I'm an
12 attorney and consultant and environmentalist
13 here in Atlanta. And I came down here to offer
14 to you an outside view. I realize that -- Well,
15 first of all, I'd like to say that I'm very
16 grateful to the EPA for all you have done. I
17 really am very grateful.

18 I think that sometimes when you're working
19 within a system, sometimes you get caught up in
20 seeing things a specific way. So I would like
21 to just say, well, let's step outside for a
22 moment and look at something -- look at it from
23 a little bit of a different prospective. It
24 sounds to me from the proposal that it's
25 basically looking at the problem and the cause

1 of the problem. The problem is air pollution
2 and the cause of the problem is that
3 manufacturers are creating dirty cars. I'd like
4 to say I think that the cause of the problem --
5 the core cause of the problem is that air is
6 free and we are free to pollute. And once that
7 problem is addressed, the other problems will
8 just melt away. They'll naturally find their
9 order in things.

10 And so if it would be possible to address
11 that first. I would feel like we're making
12 better progress. And so I have some ideas on
13 how that could be done. I'm sure that people
14 have thought of this before, but I would like to
15 just reemphasize it. And that would be to have
16 a -- you could call it a clean air contribution
17 that's charged at the pump when you buy gas.
18 Because how much you pollute is directly related
19 to how much gas you're buying. And then also
20 there could be a clean air contribution charge
21 based on the level of your emissions testing.
22 So in that way, the effects of the pollution is
23 being felt in a pocketbook where it's more real
24 than what is theoretical. Everybody wants the
25 air to be cleaner, but nobody wants to be the

1 first person to go out and spend twice as much
2 money on an electrical vehicle and know that
3 they're still going to be breathing the same air
4 as the guy that's driving the SUV. And so to
5 me, it seems like that would be a way to create
6 a natural market demand.

7 And the manufacturers, they are set up,
8 they are responding to our demands rather than
9 responding to pressure. You know, whenever you
10 pressure someone, they push back. But if you
11 get them to do something that they actually want
12 to do, you have a much further response. It
13 also allows the citizen to feel an immediate
14 sense of taking responsibility the problem. You
15 know, and I think when I look at this and say,
16 oh, my, I have to sit back for six years to wait
17 before anything is going to be done or I can
18 have any options to do something. It's very
19 frustrating to feel like, oh, you can start now.
20 Maybe you can't buy an electrical vehicle or a
21 natural gas vehicle, but you're contributing.
22 The contribution would then go to help fund the
23 purchase of those types of vehicles. You know,
24 when somebody wants to buy it so that the cost
25 of the vehicle is more in line with what it

1 would cost to buy that same car as a gas-powered
2 car.

3 So that was the idea I wanted to bring to
4 you.

5 MS. OGE: Well, thank you for your idea.
6 We'll consider it.

7 MS. PERRY: Thank you very much.

8 MS. OGE: We'll put it into consideration.
9 And I'd like to thank both of you for coming
10 here and sharing with us your views.

11 MS. PERRY: Thank you for listening.

12 MS. OGE: Is there any other member of the
13 public that is interested in testifying?

14 (No response).

15 MS. OGE: Well, we'll take a short break.
16 But we'll be here for a couple more hours. I
17 guess Chet France is going to be here. I have
18 to catch a plane. But thank you very much.

19 (Whereupon, a recess ensued and Mr.
20 Tom Tomaka came before the panel.)

21 MR. FRANCE: If you could state your name
22 and any affiliation.

23 MR. TOMAKA: Sure. My name is Tom Tomaka.
24 And I am a ten-year resident of the City of
25 Atlanta, and I'm also a member of the Atlanta

1 Bicycle Campaign former board member and also a
2 member of the U.S. Public Interest Research
3 Group. I came here today to comment on the Tier
4 2 proposal. I find that the frequently poor
5 quality of metro Atlanta's air both troubling
6 and unacceptable. We need to take stronger
7 measures to control non-point sources of the
8 pollution, especially in cities that rely
9 heavily on cars and trucks for personal
10 transportation, such as we have here in Atlanta.

11 My next door neighbor works at Georgia
12 Baptist Hospital right down the street as a
13 pulmonologist and he could personally attest to
14 the elevated levels of the admissions at the
15 emergency room there, mostly by wheezing
16 children and elderly people and on days when
17 Atlanta's air is particularly foul.

18 The EPA's proposal is a big step in the
19 right direction, but there are a few things that
20 should be improved before the rule becomes
21 final. First, given the serious condition of
22 our air, I cannot understand why the Tier 2
23 proposal provides vehicle manufacturers with
24 special treatment for their larger SUVs and for
25 the diesel-powered products. To meet this

1 aspect of the current proposal gives a limited
2 set of manufacturers a loophole and an
3 opportunity to expand the commercial interest at
4 the expense of the public welfare. These
5 manufacturers continue to enjoy plush SUV sales,
6 for instance, accompanied by high profit margins
7 for SUVs and they have -- as they have for the
8 past two to four years.

9 I fear that the proposed ten-year phase-in
10 schedule and the Tier 2 proposal for heavier
11 vehicles could lead to increased sale and
12 production of these overgrown passenger
13 vehicles. I don't understand, then, why they
14 need a special break. The Tier 2 proposal
15 should ask these manufacturers to make all their
16 passenger vehicles conform to the same
17 standards. These manufacturers can afford to
18 do so, especially in these larger category
19 vehicles and the public deserves it.

20 There should be no special treatment for
21 diesel technologies, secondly. All vehicles,
22 regardless of engine technology or fuel use,
23 should meet the same public health related
24 standards. Yet, the Tier 2 proposal would
25 create two vehicle categories which would

1 permanently allow diesel engines to pollute
2 twice as much soot as gasoline engines and up to
3 ten times as much smog forming nitrogen oxide.

4 Mobile-Exxon and other petroleum
5 corporations must seriously argue that they need
6 a special break, while they collaborate with
7 vehicle manufacturers on what they call "clean
8 generation of diesel engines." I don't believe
9 their efforts are as realistic as they sound
10 since they never commit to anything, this
11 includes a paid peace effort advertisement that
12 Mobile-Exxon ran in the New York Times of that
13 page yesterday. They promise nothing if they
14 were given the special breaks. Also their
15 statements never proposed to replace dirty or
16 internal combustion technology over any time
17 period. I see them acting to expand their
18 product lines and their markets, not to clean up
19 their act.

20 Interestingly, those who protest against
21 the Tier 2 proposal using the professionally
22 corrected messages, such as the one ad appearing
23 in the Times yesterday, never acknowledge their
24 role in the problems that the EPA is justly
25 trying to address.

1 Through their commercial activities, they
2 don't accept their responsibility for the
3 increased hospital emergency room admissions on
4 days when the air is filled and smog and
5 particulate caused by their products.

6 I think the general public and thankfully
7 the EPA uses the logic more than a narrow set of
8 business values when deciding on a responsible
9 strategy.

10 The Tier 2 proposal is a step in the right
11 direction. We need the strongest possible
12 regulations to control automobile pollution.

13 I thank you again at this late time of the
14 day for your leadership on this and your
15 attention.

16 MR. FRANCE: I appreciate your comments and
17 we'll take them back with us.

18 (Whereupon, the public hearing
19 concluded at approximately 6:30 p.m.)

20

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22

23

24 MARY PARHAM, CCR, CVR
25 CERTIFICATE NO. B-1727
 (CCR SEAL)